1923

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, SEPTEMBER 28, 1923 Single Copies, 10 Cents. No. 39

NATURAL WEALTH ADDING MILLIONS TO BUYING POWER

Over $2,000,000,000 From Farms, Forests, and Mines

A BIG INCREASE

Nearly Another Billion Dollars Represented by the Live Stock, Poultry, and Fur Farm Resources

Development in regard to new purchasing power from agriculture and other primary industries continue to be most satisfactory, while the response to the new Dominion loan is an encouraging indication of the financial stability of the country. The Western crop is already on the move. Marked business improvement is not expected in that field until the money from the new crop is actually in circulation. Eastern trade centres report a better movement of goods. The distribution of about $25,000,000 in October dividends should add impetus to the demand for merchandise as well as proving an important factor in the investment situation. Stock market developments are bearish but it must be remembered that Wall Street dominates in the situation and that there has in the past year or so been an industrial boom in the United States which has not been experienced in Canada, although no doubt securities advanced under the New York influence.

A survey of Canada's fundamental industries—other than manufacturing—would indicate a total increase of wealth of over $2,000,000,000 for the year. The products of the farm, the forest and the mines make a most satisfactory showing. Recently an estimate of the value of the prairie crop was given. It showed a big increase. The pulp and paper industry is developing on an unprecedented scale and the lumber cut promises to be governed only by the available supply of lumber. The mines are free of power troubles and, aided by a material increase in new capital, are jumping their production of wealth.

To the estimated value of the wealth produced there may be added the $810,000,000 of possible wealth invested in fur farm animals, poultry and livestock, a great amount of which will undoubtedly be converted into wealth before the year ends.

The figures:

	1923	1922
Field-Root Fodder Crops	1,002,799,000	962,526,000
Minerals	236,611,000	184,097,242
Forest	443,570,000	316,000,000
Dairy-Produce	308,430,000	309,433,000
Fruit-Vegetables	57,400,000	55,855,000
Fur	8,295,000	9,250,000
Fisheries	38,000,000	42,000,000
Wool	3,302,000	3,250,000
Tobacco	3,700,000	4,548,000
Total	$2,102,107,000	$1,886,959,242

Other possible sources of wealth:

	1923	1922
Livestock	677,887,000	766,720,000
Poultry	41,481,000	38,007,000
Far Farms	6,675,000	5,977,545
	$810,704,545	$726,043,000

Western Prospects

Indications are that the already high estimate for the Alberta crop will be increased. Some remarkably big yields are being reported and it is expected that the average will go above the 24 bushels to the acre which has been estimated. Reports from Saskatchewan are also very satisfactory. On the other hand, portions of Manitoba, where crop failures have been suffered for some years, have again been hit and there is talk of legislative efforts to protect debtors. The government, however, appears to have a realization of the danger of legislation of this kind, and nothing like a moratorium is anticipated.

Some decline has been noted in the market price for wheat, and this, of course, will have a direct bearing on the purchasing power of the farmer, but there has been nothing like a slump despite the enormous total yield in prospect. The transportation problem is one for which there is as yet no satisfactory answer. Opinions differ in the grain trade as to whether the American boats will assist in the movement of the Canadian crop when conditions in lake traffic suit their purpose, or whether they will hold out in their endeavor to secure radical changes in the regulations imposed by the government. These regulations, as might have been anticipated, have

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More Cows, Sows and Hens in Saskatchewan

From Our Own Correspondent.

REGINA.—"Permanent prosperity cannot be attained on a cowless, sowless, henless farm," declared one of the members of the provincial legislature at the Saskatchewan Live Stock Breeders' Convention last winter, and this reproach is passing away rapidly from this province. The conclusion of the whole matter is that, while some farmer members from Saskatchewan have been preaching blue ruin at Ottawa, the great bulk of the Saskatchewan farmers at home have been building up a sound agricultural industry and putting the province back on its feet.

Publishers of U. S. A. See Our Paper Mills

From Our Own Correspondent.

MONTREAL.—American publishers are getting an insight into the Canadian pulp and paper industry. Recently the Backus-Brooks Company entertained a group of them at its new plant, and shortly the International Paper Company will take another group on a tour of the St. Lawrence River, with the company's Three Rivers plant as the chief destination. A. Campbell, the company's traffic manager, has been in Montreal making the necessary arrangements.

The Backus-Brooks tour took in the mill now going up at Kenora, Ontario, and which present plans indicate will be the largest in Canada, if not in the world.

TRADE EXPERTS NOT CALLED TO THE CONFERENCE

Hope For Practical Results Is Now Fading Entirely

From Our Own Correspondent.

OTTAWA.—Canadian business interests who had been hoping for big things in inter-Imperial trade developments as the result of the Economic Conference which opens next week are disappointed that Canada will not be represented by men with practical experience in the field of both import and export trade. Hope for practical accomplishment in the development of trade between Canada and various other sections of the Empire has been largely dissipated because trade experts have not been called upon to represent our interests.

In the selection of advisers, the Prime Minister confined himself pretty much to the government service. His chief adviser is Dr. Skelton, of Queen's University, and undoubtedly the next person to whom he will look most for guidance is Hon. P. C. Larkin, High Commissioner in London. Dr. Skelton is the only one of account outside of the service.

Those who will attend the Imperial Conference are: the Prime Minister, Dr. Skelton, Hon. P. C. Larkin, Major General McBrien, chief of the General Staff, and Commodore Hose, director of the Naval Service. The chief representatives of Canada at the sessions of the Imperial Economic Conference will be Sir Lomer Gouin and Hon. G. P. Graham. It is for this conference that the greater number of officials are needed. The Imperial Conference deals with matters of political policy, with constitutional questions, defence and the like. On the other hand, the Economic Conference will take up questions relating to trade within the Empire, immigration, inter-communication between the various portions of the Empire, the development of natural resources within the Empire, and kindred matters.

The Cattle Embargo

Dr. J. H. Grisdale, deputy minister of agriculture, and Duncan Marshall will be on hand in connection with the British embargo on Canadian cattle, which has not been lifted to anything like the extent promised, but which, on the contrary, is evidently, through technicalities, being put into force again so that the export business in cattle to Britain is being strangled.

Dr. Doughty, Dominion Archivist; Dr. R. H. Coats, Dominion Statistician; Dr. Camsell, deputy minister of mines; Graham Bell, deputy minister of railways, and F. C. Blair, secretary of the department of immigration and colonization, are all on the other side and available.

Porcupine Goldfields Development has an option on the Ankerite in Delora Tp., and will go ahead with operations.

MANY CANADIANS RETURN FROM U. S.

Immigration Total in August Heavier Than For Many Years

From Our Own Correspondent.

OTTAWA. — Immigration during August was heavier than for the same month in many years. The number of arrivals was in excess of 20,000, compared with 6,628 last year and 8,454 in 1921. These figures do not include harvest hands.

The number of arrivals from the United States was 2,692, a little larger than last year. Of these, 1,462 were farmers, which means that the Republic sends a far larger percentage of farmers than any other country. That the Americans coming over intend to stay is evident from the circumstance that among the arrivals last month were 538 women and 442 children. Among them were 330 Canadians. It is also interesting to note that 2,063 were American citizens. Curiously enough, Michigan, the state that has been supposed to be getting the largest number of Canadians, sent the largest number of people to Canada in August, or 521; New York came next with 220; Minnesota third with 204.

LOAN LIMITATION A SOLUTION FOR LOSSES OF BANKS

Would Mean Divided Risks and Closer Supervision

SELF INSPECTION PLAN

Inaugurated in Chicago and Now Employed in Thirty-Three Cities Throughout United States

Expressing the belief that government control of banks in the United States has been a good thing and that the limitation of bank loaning power to 10 per cent. of its paid-up capital and surplus to any one borrower is wise and desirable, H. G. D. Deans, vice-president of the Illinois Merchants Trust Company, Chicago, a former Canadian bank man, points out that shortly after the costly failure of the Chicago National Bank it was decided by the Chicago Clearing House Association to set up its own machinery for bank examination. The Chicago experiment, he says in a letter to THE FINANCIAL POST, proved satisfactory from the first, and has since been imitated by many large cities throughout the United States.

David R. Forgan, president of the National City Bank, Chicago, who received his early training in Canadian banks, also refers to the clearing house examination system in a letter to THE FINANCIAL POST. The system, he says, has continued to be increasingly successful and popular. At present, of the 330 clearing houses in the United States, 33 have their own examination system, the largest being in the city of New York and the smallest in Hutchinson, Kansas. Many changes in the system as employed in the United States, he says, would be required to adapt it to Canadian conditions.

How Limitation Would Work

A Canadian banker, to whom the suggestion of limitation of commercial loans by the banks has been submitted, believes that it would be the solution of an important banking problem in this country. He points out that such limitations would be effective in preventing undue losses on commercial loans by distributing the risks and increasing the supervision in granting the loan, just as the limitation operates in connection with the fire and life insurance companies. A life insurance company will take a million-dollar policy on one life, but only carry possibly $100,000 itself, the balance being shared by a number of other companies. He also points out that at the present time some of the banks carry large commercial accounts on a joint arrangement. Under this arrangement

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Canadian Rail and Steel Rods for Japan

Some further interesting developments in connection with Japanese business placed with Canadian industries is available this week. George Spence, sales manager, The Steel Co. of Canada, Ltd., Hamilton, stated that this company is shipping bars, rods and nails in greatly enlarged quantities to Japan to help in the reconstruction following the great earthquake in that country. Some enquiries have also come for galvanized sheets, and it is understood certain Canadian interests are figuring on this business.

The Future of Our Foreign Trade

Perhaps the most important news for Canada that is coming out of the last two weeks' developments in Europe is the evidence of an awakening in England to the fact that we have been outwitted by France and Germany and are being shut out of some quite important markets. The cables show that British business men are aroused, are holding daily meetings, are uniting as they never have before, and all appear to be working towards Empire trade and development to take the place of the continental market. Even free trade Lancashire is seeing the light. For the first time there appears to be a deep and practical sympathy in the Imperial Conference.

Our investigators, who have been studying the situation in Europe for its effect on the future of Canadian business, say this, in brief, seems to be the situation:—France seems to have been guided for many years by a group of extraordinarily able, far-seeing business men — Poincare, Briand and other political leaders have been merely their hired men, and the press of France, with few exceptions, invariably publishes exactly what the Government wants their own people and the world to believe. They have been at work long before the war. They began to strengthen France immediately war broke, and largely at the expense of the Allies, such as imposing numerous taxes on the Allies who came to France to help them. These men knew perfectly well that Germany could not pay the reparations exacted. They were more interested in annexing German and other territory and in becoming the great European if not the greatest world power. The seizure of the Ruhr was the chief objective at the outset. Then came the alliance between the industrialists of France and Germany, decided upon some months ago and finally completed about the middle of July. It was then arranged, as part of public propaganda, that Cuno should retire and Stresemann take his place, and that he should make the agreement public. France is so strong as a

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Optimism in Wake of Successful Bond Issue

Subscriptions for New Dominion Loan Pour in From all Quarters —Attitude of Large Institutional Investors Emphasizes Attractiveness of Offering—Handled by Canadian Firms

An effective answer to the "Whisper of Death" and those who take a pessimistic outlook of conditions in Canada is contained in the flood of subscriptions pouring into banks and bond houses all over the country for the new Dominion Government loan. Even from Montreal, the centre of pessimistic outcries, comes a subscription for $10,000,000 of the bonds from one company. Heavy buying of the issue started with the big institutions and in the week that has elapsed since the first announcement was made it has extended to companies and private investors in all quarters. With each day optimism increases among the financial houses heading the campaign to raise $172,000,000 for Canada's government among her own citizens.

The success of the flotation bears a deep significance. It shows that the people themselves believe in the country's future and that, while money will be required from other sources for future development, no small part of it can be secured from the surplus earnings of Canadians. It should also have a beneficial influence in stimulating immigration, because it illustrates the opportunities open to worthy immigrants.

All-Canadian Issue

For some months speculation as to the method to be employed in refunding the loan maturing on Nov. 1 has been indulged in. At first it was thought that London would share generously in the operations, but as sterling exchange fell off this was recognized as improbable. New York was favored until a strong syndicate successfully floated a $22,500,000 issue of Canadian National Railway bonds in the summer. Following this it was expected that as much as possible of the money required would be raised in Canada. No announcement was made, however, until last week, when a group of four bond houses agreed to organize a syndicate to sell $50,000,000 of bonds, on the understanding that if the market appeared favorable they would continue to raise as much as possible of the entire loan.

A banking syndicate, consisting of 28 leading financial firms and banks, was immediately formed, and a larger selling syndicate comprised of over 220 investment houses all over the country followed. A preliminary offering was made to institutions and $72,000,000 of the loan was allotted before the formal offering to the public started on Monday of this week. Many large purchases, varying from one to ten million dollars, have been recorded, and others are pending ratification by boards of directors. The amount already subscribed is not definitely known, but it is expected by the end of the week that the bulk of the issue will be disposed of.

Offers Best Security

The character of the offering is such as will appeal to the most conservative investor. Backed by the entire resources and credit of the Dominion, it ranks as the premier investment available in this country. Moreover, the terms are especially attractive, both to new subscribers and to holders of the 1923 issue, to whom is extended the privilege of conversion, in that bonds may be purchased at a price a shade out of line with the prevailing market.

A comparison of the prices at which similar securities are selling both in Great Britain and the United States shows the very decided advantage as regards interest which Canadians receive when they subscribe to the new refunding offering.

The bonds bear interest at 5 per cent. payable half-yearly on Oct. 15 and April 15 each year. A choice of

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These Banks Are Own Keepers

History of the Clearing House Examination Plan Founded in Chicago and Now Employed in Many American Cities

By JAMES B. FORGAN,
Chairman of the Board of the First National Bank of Chicago.

It was in 1906 that the Chicago Clearing House Association took the initiative and established a bureau for the supervision by examination of its member and affiliated member banks soon after the experience it had with the failures of a national bank, a savings bank and a trust company operating under the management and control of one man. The associated banks undertook to liquidate these three institutions by taking over their assets and assuming responsibility for their deposit liabilities, under a limited guarantee of their directors. The ignorance of the Associated banks as well as of the business community as to the true condition of these banks was demonstrated by the fact that the market quotations for their stocks just preceding their failure were $380, $350 and $240 per share and there were sales at these prices. Up to the time of their failure each of these banks paid substantial dividends to their shareholders. The National Bank paid 12 per cent. regular and 3 per cent. extra and the other two paid 10 per cent. and 8 per cent. respectively. The combined capital and surplus of the three banks amounted to $3,500,000 and their aggregate deposits to $27,000,000, one-third of which was public funds, showing the political pull held by the management. The entire capital and surplus, along with 44 per cent. of the deposits, were found to have been loaned to or invested in various ventures of the president. The condition in the National Bank had developed through a period of years during which the Comptroller's department had been kept fully advised of what was going on through the semi-annual reports of the National Bank Examiners.

No action was taken, however, beyond expostulation through correspondence, until matters became so bad that they could not be allowed to proceed farther and the banks were closed on Saturday night, December 16th, 1905, by joint order of the then Comptroller and State Auditor. The associated banks were informed that afternoon by examiners representing these officials that unless provision were made for the payment in full of the depositors the banks would not be allowed to open for business on

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WASHINGTON IS UNFAVORABLE TO TARIFF INCREASE

U. S. More Likely To Try Closer Trade Relations

From Our Own Correspondent.

NEW YORK.—Canada need have no fear that the demand made by Representative Anderson that the administration authorize a further increase in the tariff on Canadian wheat will be carried out. Your correspondent is assured by bankers in close touch with Washington that the president's advisers are strongly against any move that would further rouse Canadian enmity. It is being said that definite moves looking toward the encouragement of closer trade relations with the Dominion will be made shortly by the new administration and that in preparation for these moves a close study of the question of tariff reciprocity is being made.

Even the political value of Representative Anderson's speech is doubtful; obviously an attempt to win favor for a more or less discredited government in the Northwest, it has already met with opposition from the Washington representatives of both the American Farm Bureau Federation and the National Grange, the two largest American farmer organizations. Gray Silver, head of the former organization, claims that so far as the grain-grower is concerned a further increase in the tariff on wheat would be worse than useless; he believes that if aid is to be granted the grain grower, it must be through a bounty on grain and a cut in freight rates. T. C. Atkeson, of the National Grange, believes that an increase in the tariff would only close the European market to American wheat completely and give the European business to Canada to an even greater extent than at present.

LIVELY CONTEST AS TO WHO WILL BEAR SALES TAX

Dealers Want It In Price — Manufacturers Object

FAVORS IMPORT GOODS

This Is Argument of Canadian Manufacturers Who say They Can't Have Different Prices for Different Jobbers

From Our Own Correspondent.

OTTAWA.—The making of regulations and the perfecting of arrangements generally for the introduction of the new sales tax on Jan. 1 is producing one of the liveliest scraps behind the scenes that has been seen for some time. Not much is heard about it in the daily press, but it is lively all the same.

Manufacturers contend that as the tax on domestic products is collected on the retail selling price in a great many cases, while in the case of imported goods it is collected generally on the wholesale price, the effect is to place home-produced goods at a disadvantage. This, they say, hits at the "Made in Canada" movement, on which so much time and effort has been spent during the last few years.

Want Tax Shown

The manufacturers, on the one hand, want the amount of the sales tax stated on the invoice, contending that it is but right that the tax should be clearly distinguished from the cost price of the goods. On the other hand, the retailers do not want the price stated, evidently thinking that in proportion as it is lost sight of, the purchaser will forget about it. The former attitude is based on the assumption that the sales tax is not a permanent but a war temporary method of taxation, and being a tax on consumption should be got rid of as soon as this is warranted. The attitude of the retailers tends more to make the tax a recognized permanent one.

There is also the fear on the part of those who believe a certain amount of protection is necessary for Canadian industry that the extension of the sales tax will be at the expense of the customs tariff. They point to the fact that in the last budget there was a reduction in the duties on goods

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Forty to Fifty Cents On Dollar for Depositors

While there is no definite word as to when the report of Curator Barker in connection with the Home Bank will be available, it is understood that affairs are taking more definite shape and that the statement will indicate assets which will permit of returns to the depositors of from 40 cents to 50 cents on the dollar. A large portion of the accounts of the bank are in a "frozen" state but the committee representing the Canadian Bankers' Association is co-operating with the curator to the end of realizing on these as quickly as possible and a distribution to the depositors is anticipated this year.

BREWERY STOCKS

It is understood that the breweries have all had an excellent year, and there was considerable strength in the market for Nationad Breweries stock as well as this week.

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DOMINION OF CANADA LOAN 1923

THE BANK OF MONTREAL at all its Branches will accept subscriptions for the new Dominion Government Bonds, or effect the exchange of Victory Loan Bonds due 1st November, 1923, into Bonds of the new issue.

Full particulars will be gladly furnished at any branch *of the* BANK OF MONTREAL

Place Your Subsciptions to the New Loan through The Bank of Nova Scotia

YOU are invited to place your subscriptions to the new Dominion Loan through any branch of The Bank of Nova Scotia.

We will attend to the details in connection with the conversion or exchange of 1923 Victory Bonds for this issue. No charge will be made for this service nor for delivery of Bonds ordered through any of our Branches.

THE Bank of Nova Scotia

ESTABLISHED 1832
Capital and Reserve Fund, $29,500,000.

ESTABLISHED 1872

TORONTO OFFICE

THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

Incorporated 1855
Capital and Reserve, $9,000,000

THE MOLSONS BANK

Subscriptions received at all branches for the new Dominion of Canada Loan.

Victory Bonds maturing on 1st November may be exchanged for bonds of the new loan at any branch of this bank. Full information and application forms furnished on request.

EDWARD C. PRATT, General Mgr.

Don't Invest All Your Surplus Funds

You may urgently need ready cash some day. Keep some handy in our savings department.

THE STANDARD BANK OF CANADA 473

Head Office, - - - - 15 King Street West
16 Branches in Toronto

POOL OF DEBTS OF THE FARMERS NOW PROPOSED

But Warning Issued as to The Very Serious Consequences

OUTLINE OF SCHEME

Banks, Mortgage Companies, Insurance Companies and Implement Makers Would Join With the Provincial Gov't

From Our Own Correspondent.

WINNIPEG.—There is much to catch popular fancy in the pool financing proposal which is being currently mooted as a solution of the farmers' debt problems in Manitoba. Pools of every conceivable nature have been advocated in the West as the corrective of all our economic worries, but the notable fact remains that none of these have materialized into permanent structures.

"The idea of pooling all the farmer debts is the happiest of conceptions in theory, but the vital factor for first consideration is the ultimate effect that the creation of this machinery would have upon the credit of the province," one banker pointed out, in discussing the proposal which the Hon. D. L. McLeod, provincial secretary, has announced.

The extent to which this pooling-of-debts arrangement could be carried out remains to be determined. Hon. Mr. McLeod intimates that it will come before the newly organized government debts adjustment commission for decision. If the proposal amounts to a plan for the amortization of farmer liabilities and for the definite payment of defined amounts of these debts yearly over a five-year period. the plan is admitted by many Winnipeg business men to possess merits. But nothing smacking of a moratorium will be countenanced by the financial and banking community. It is felt that this would irreparably injure Manitoba's credit abroad.

The plan which has been given out by the provincial secretary was conceived by a Winnipeg banker with 20 years' experience in the West. His name is not made public. This provides for a financial pool, to be formed by the creditor classes, which would take charge of the affairs of the debt-burdened farmers and administer farmer business until the menaced lands are solvent and upon a firm financial basis.

The Proposed Pool

The proposal is that banks, mortgage corporations, insurance companies, implement firms and the provincial government form the pool. Funds would be contributed by the involved institutions and a board of managers established.

Hon. Mr. McLeod says the suggestion will be one of the first to come before the new debt-adjustment bureau which the Manitoba government is setting up this year because of the embarrassed finances of the farmers, due to the crop disappointment in the southern portions of the province. This bureau has not been completed as to personnel. It will be formed of representatives of the creditor classes, the government and the agrarian interests, and will act during the coming year as a mediary between farmers and their creditors.

Presumably, if the various creditor classes are asked to finance the business end of this pool, the government would of necessity become a contributor. The government is directly interested in farmer finance to the extent of the farmer borrowings from the rural credits system.

Provincial-Secretary McLeod outlines the benefits of the suggested pool as follows: Funds would be provided by those most interested in the agricultural industry.

The farmer would be able to settle on his land and be relieved of the dual responsibility of being a farmer and financier, harassed by numerous creditors.

Funds would be released for the payment of store debts and sundry legitimate debts, which would react to the credit of the wholesale houses.

Incoming settlers would be provided with land practically ready for production.

Creditors would have the assurance that each would receive an equitable distribution of the proceeds realized from the yearly returns of the farm.

Many farmers who have resided on their land for a number of years, though perfectly solvent, taking into consideration present conditions, require a re-arrangement of their liabilities and a wipe out of various floating debts.

The Farmers' Problems

Many farmers of the type mentioned are in such a financial condition that they are incapable of giving their affairs normal consideration with the result that productive labor in such circumstances is greatly impaired, not only to the detriment of themselves, but also to the agricultural interests of the country at large. He is threatened on all sides with loss through seizure expenses, sacrifice sales, and legal complications. In outlining the scheme, he says:

"It is proposed that with the assistance of the big corporations, funds be placed in a central 'pool,' which funds would be subject to a rate of interest to be fixed, the said 'pool' to be governed by a competent number of representatives from each of the after-mentioned corporations.

"The farmer requiring assistance from the 'pool' shall submit a statement of his affairs coupled with the name of the bank with which he has transacted his business, who will then be able on behalf of the 'pool' to compare the statement as being bona fide. On a proper inspection being made, the 'pool' will advance funds sufficient to pay off floating indebtedness, holding in abeyance such liabilities as might be owing to members of the 'pool,' such as bank loans, mortgage indebtedness. The amount so advanced would be charged to the borrower, who would automatically become a 'ward of the pool,' thereby temporarily placing him in the position where he would be unable to contract in his own name. Under this restriction he would be unable to buy or sell his products without the consent of the 'pool.' So that there will be no restrictions, which might impede the proper and legitimate business of the grain companies, it is proposed that at such time as the borrower is prepared to ship his grain, he notify the 'pool' of such intention and to whom shipment will be made. The 'pool' will then notify the receiver of the shipment, that it is in order for them to receive the grain, remitting total proceds direct to the 'pool,' where clearance will be given. The sum so received by the 'pool' would be credited to the borrower.

"It is therefore readily seen that in the majority of cases, the amount received would more than offset the amount borrowed. The 'pool' would then take steps to the distributing of the moneys received to the reduction of the liabilities, such as bank loans, mortgage payments, taxes, etc. The farmer would receive a percentage in lieu of wages covering his work, including also annual operating expenses of his farm.

"In the spring of the year an advance sufficient to carry out the requirements of bringing the crop to maturity would be credited to him in his bank, which bank would, on behalf of the 'pool,' see to the proper distribution of such funds. The farmer would have the privilege at any time of paying off his indebtedness to the 'pool' and so free himself.

"It is a recognized and admitted fact that many farmers are laboring under the burden of too much land, and with the assistance of the 'pool' it is proposed that they should take steps to list the surplus lands for sale, in which connection it would seem that such action could be very timely undertaken with the assistance of the new Canadian Colonization Board, who would be able to place incoming settlers on such land, permitting such terms as would enable the settler to use his capital for the building of his home on that land, and do away with the present system of applying their capital towards the breaking up of the new soil, and awaiting a crop for returns."

EXPORTERS WARNED RE. SPANISH TRADE

Unsettled Conditions Likely to be Followed by Important Constitutional Changes

From Our Own Correspondent

NEW YORK.—Canada's interest in Spain will make the warning issued to American exporters and bankers regarding the risks involved in taking new Spanish business of any kind, by authorities in close touch with Spanish affairs, of some interest to Canadian business men. According to the warnings being circulated here the recent "revolution" in Spain was largely an attempt by a military faction to forestall another real revolution the Communist elements planned to stage early in October. While the deposed Spanish government expected to be able to obtain military help from Italy in the event of this insurrection taking place, some elements in the military monarchist party are said to have believed that it was advisable not to place too much reliance on Italian assistance. Hence the revolution staged by the Captain-General of Barcelona.

It is not believed here, however, that the party now in control of the Spanish government have done any more than postpone for a short time the popular insurrection. The army, upon which they must depend, is badly dissaffected and likely to side with the leaders of the proletarian movement at any time.

It is said here that a number of the foreign banks with branches in Spain have already withdrawn their representatives and that others will follow. Nothing is known here as to the intentions of the Royal Bank of Canada regarding its office in Barcelona.

In view of the fact that local exporters are informed that it is extremely likely that Spain will become a republic within a relatively short time, and that King Alphonso will be forced to abdicate, they are exercising extreme caution in regard to further Spanish committments.

Ship Western Butter by the Panama Canal

From Our Own Correspondent.

EDMONTON.—A trial shipment of 130,000 pounds of Alberta creamery butter is being made to Liverpool, England, by the Panama Canal. It is the first time that this route has been used for butter. A careful record is to be kept of temperatures and weather conditions, and if the butter arrives in satisfactory order it is likely that the Panama route will get a good share of the export business between Alberta and the mother country. The advantage will be a considerable saving in cost, the freight charges per hundred pounds of butter being $1.77 lower than by the Atlantic route.

Chicago to Manchester Via Canadian Route

MANCHESTER.—A movement is on foot in connection with the Manchester Ship Canal to develop direct services with the United States. The Lake and Ocean Steamship Company propose to open up a new service with sixteen vessels, which will carry goods direct from Chicago to the Manchester docks.

The company tried the experiment last year and had to let it drop because freight did not prove profitable. This year, however, they have revived the service and it is hoped it may be the beginning of a more extended use of the canal.

URGE INFLATION OF POUND TO PROTECT BRITISH INDUSTRY

One of Many Forms of Protection Asked For in England

"Britain flirting with protection," and "favor inflation of British money," are the main ideas conveyed in the two most important stories of the week out from London. They are an evidence of the industrial condition, which THE FINANCIAL POST has pointed out, exists in England, and which is bound to bring about some radical change in policy.

One report says it is increasingly evident that Great Britain is moving steadily toward some system of protection, either by means of a tariff, customs' regulations, bonuses to industry or import restrictions. The flood of demands for some governmental barrier to prevent industries from collapsing is rising rapidly. Among the industries that have made or are making appeals for aid, in addition to the demand of agriculture for a protective measure to cover cereals, cattle and vegetables, may be listed Bradford woollens. MacChesfield silk, Nottingham lace, Lancashire cotton, and Leicester hosiery, as well as manufacturers in general, who are making their appeal through G. Cheeseman, secretary of the National Union of Manufacturers.

The Conservative press of Britain professes the belief that British industry is to-day on the very verge of an abyss owing to the competition of European countries where the currency has been inflated, thus causing money to have a low value.

To-day there is a growing body of opinion which believes that England should deliberately inflate her currency after the German and Russian manner, although not, of course, to the same extent, in order that the depreciated value of the pound sterling would have a better chance in competition with Germany and France and would also pay off internal debts with less strain than under a financial system where the pound is almost at its pre-war exchange value.

ROBB DOES THINGS FOR IMMIGRATION

New Minister Has Already Made Effective Moves Looking to Reorganization

From Our Own Correspondent

OTTAWA.—Hon. J. A. Robb has got matters in the Department of Immigration well straightened away during the short time that he has been in control. His announcement of the co-ordinating of the activities of the Soldier Settlement Board with that of the Department of Immigration and Colonization is a case in point. It is no secret that a time had come in the life of the former when the continuous employment of a number of its officials, such as inspectors and those charged with looking after the welfare of settlers, had become somewhat of a problem. The number of returned men now going on land has naturally been much reduced, and once settled, it does not take so many to look after them.

As the greater number of soldier settlers took up government land it was natural that the work of the Soldier Settlement Board should come under the eye of the Minister of the Interior; but as the land passed out of the hands of the Crown that department had not as much interest in this work. On the other hand, there was the growing recognition that if the work of immigration was to be a success it would be necessary to pay a great deal more attention to the welfare of immigrants than had been done in pre-war days. By taking over the machinery and officials of the Soldier Settlement Board the Immigration Department does this work without additional staff or expense.

One of the new duties undertaken by the Department of Immigration is the surveying of the employment field so that the government may have the fullest and latest information as to where work may be had. It might be thought that the Labor Department would do this, but it seems to have concerned itself, in this respect, more with the collecting of statistics. At least it was not thought that it was securing all the information on this subject that is desired.

Movement to Protection is Growing in England

For sometime past THE FINANCIAL POST has pointed to the growing feeling and necessity in England for protection for its industries from the flood of cheap products from Continental Europe. That a movement toward protection is well under way is evidenced by the fact that the Bradford Chamber of Commerce has passed a resolution in favor of protection and Imperial preference.

High labor and full costs, with heavy transportation charges on raw materials, as well as the finished product, make it almost impossible for British industries to sell goods in competition with the product of the cheaper labor centres of the Continent.

The question of protection, especially by controlling raw materials within the Empire, has been thoroughly discussed by the Canadian Chamber of Commerce at London.

Paris dispatch says sales volume of Bon Marche, departmental store, in fiscal year ended July 30 was 450,000,000 francs, against 400,000,000 in previous year.

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Further information from local steamship agents

H. B. Beaumont, General Agent Pass. Dept., 1 King St. East, TORONTO.

INDUSTRIAL OR AGRICULTURAL

Question Arises as to Trend of Progress in Quebec

Is Quebec an industrial or an agricultural province?

Hon. L. A. Taschereau and Hon. J. E. Caron were recently quoted as declaring that the province was becoming more especially an agricultural province.

W. G. E. Aird, general manager of Wabasso Cotton, counters with the statement, "Everyday Quebec is becoming more and more a manufacturing centre."

Mr. Aird added: "It does not necessarily follow that as manufactures increase, agriculture should decrease, because the one is interdependent upon the other."

BIG CLAIMS ON GERMANY

MONTREAL.—Dominion Steel Corporation and subsidiaries claim $16,711,170 from Germany for war losses. Torpedoed vessels under charter; chartered steamers requisitioned; costs of substituting requisitioned vessels; losses of contracts and war risk premiums, are the headings under which the claims are listed.

LEGAL

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LEWIS DUNCAN
Counsel in Bankruptcy
Author of "The Law and Practice of Bankruptcy in Canada."
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WHOLESALERS AIM TO AVOID LOSSES FROM SALES TAX

Want Prices to Retail Trade To Include the Tax

MORE UNIFORMITY

Suggestion is That Sales Tax Be Left Off Invoices Just as Custom Duties—Tax Would Be There, But Hidden

From Our Own Correspondent

MONTREAL.—New Year's day will see the inaugural of the new sales tax; the single 6 per cent. tax paid by manufacturer or importer that replaces the several taxes of various percentages formerly paid. The new system will bring relief all down the line. There are, nevertheless, points where further clarification is necessary, and points also where only uniform action by manufacturers, wholesalers, and retailers, will bring about the working of the sales tax in such a manner that the tax can be passed on to the ultimate consumer. It has been one of the weaknesses, not of the sales tax itself, but of the method of applying it, that a large part of the tax had to be absorbed by business rather than by consumers, cuttings seriously into profits, because of this inability to pass it along.

It is contended that licensed manufacturers, and licensed wholesalers, should adopt the practice of quoting prices that include the sales tax; this rather than quoting list prices to which the sales tax would afterwards have to be added. Many large manufacturers have already decided to adopt this practice; the shoe manufacturers and most of the textile manufacturers, for instance.

Cannot Legally Collect Tax

The importance from the manufacturers' standpoint of establishing prices that include the sales tax figures can be seen when it is understood that the law provides that the tax shall be paid by the producer manufacturer or importer. Therefore, if one of these quotes a certain price for goods without mentioning sales tax, he cannot legally collect the sales tax from the wholesaler or retailer who purchases the goods. It would be necessary to have an express contract or stipulation to the effect that the purchaser must pay the sales tax.

Such a condition leads to confusion and the contention of those who are pressing for the establishment of price lists on a net basis is that the procedure now adopted in the case of imported goods should be followed. In selling imported goods an importer never quotes the import price and the customs duty separately, but sets a definite price that includes both. It is felt that no effort should be spared to have every manufacturer arrange his price lists and selling prices so that the prices at which the goods will be sold to the retail trade will include sales tax. Where the manufacturer sets prices to the wholesale and retail trade this would put the latter in a position to pass on the tax and thus free themselves of the great loss they have been under during the past few years when they have, in many cases, had to absorb the tax. This might require revision of retail selling prices in some cases where these are fixed by the manufacturer, or it might require the absorption of the tax by him where his margin of profit makes this possible. But whatever the solution, it would put the onus of providing for the ultimate absorption of the tax upon the manufacturer who controls the selling prices all down the line.

Objectional Clause in Act

The problem is complicated somewhat by a clause that was slipped into the Sales Tax Act at the last minute, and which provides that when goods are sold by a licensed manufacturer or producer, or by a licensed wholesaler, to an unlicensed wholesaler or jobber, that the invoice shall show the cost of the goods and the sales tax as separate items. No such provision was made in the case of goods sold to retailers. Evidently the purpose of the clause was to make it possible for wholesalers or jobbers to prove the amount of the drawback they demand when they sell to manufacturers or other licensed wholesalers.

Last week a large deputation, representing wholesale dry goods firms, wholesale grocers, wholesale hardware firms, wholesale druggists, and several other wholesale interests went to Ottawa to lay before the minister the importance of giving an interpretation of this clause that would simplify procedure. The wholesalers ask that the amount of the sales tax should be shown on the invoice merely as a memorandum, and not as a charge to the purchaser of the goods. In other words that the purchaser should be billed for the full price of the goods and with the sales tax included and that the memorandum of the amount of the sales tax should not be for his accounting department to bother with at all. Such an interpretation would make unnecessary the stipulation in the contracts for the sale of goods that the additional 6 per cent. must be paid to the manufacturer over and above the sale price, for as has been pointed out, unless this additional contract is entered into, the collection of the tax cannot be legally enforced.

The clause objected to does not apply to sales to retailers, and under the present act manufacturers and wholesalers dealing with the retail trade can, without running counter to anything in the act, quote prices to the retail trade that include the sales tax, but which make it unnecessary to make any reference in catalogues or on invoices to the sales tax. The tax would be there and the price would be higher as a result of the tax, but it would be entirely hidden, as are customs dues, and would not require a good deal of calculation on the part of the retailer to check up. The retailer would fix his resale price on the price he paid and would not be called upon to absorb any portion of the tax.

That business rather than the consumer has been paying a large part of the sales tax is shown, wholesalers declared at Ottawa, from the record of business failures. The number of business failures in the first eight months of each of the past ten years have been as follows:

For the 8 Months' Period—

	Number of business failures.	Total Liabilities.
1914	1664	$15,833,809
1915	1895	29,296,983
1916	1242	19,178,203
1917	765	12,226,086
1918	595	9,668,675
1919	479	10,441,308
1920	586	14,302,601
1921	1356	29,526,343
1922	2097	32,395,457
1923	2029	40,504,229

The high total of losses in 1923 failures is noticeable.

Business men, who agree that quoted prices should include sales tax, and who feel that simplified accounting and easier absorption of the tax at the proper end would come from such a procedure, have the remedy largely in their own hands. Manufacturers and wholesalers could establish their prices to the retail trade on the basis outlined. Retailers and wholesalers could stipulate that in purchasing goods from January 1, 1924, forward, the prices quoted them must include sales tax.

Warmer Weather Was Welcomed by Farmers

Some anxiety was expressed as to the results of the frosts that prevailed in many parts of Ontario a week or so ago, but the more recent summer-like weather has had a much more cheerful effect upon those who are clearing up their fall fields.

Fall wheat recently sown has found excellent seed bed, and is looking promising. Much remains to be sown. A fair total acreage is expected this season.

The Western Farmer's Problems

What the Man Who Grows Wheat Thinks of the Wheat Pool—Threshing Costs are High—Workers Quit After Ten Hours

Written for The Financial Post by F. W. CRANDALL.

CALGARY.—From the Herald one would be led to assume the pool idea was a winning one. From my standpoint, and from discussion with many of the best farmers in Alberta, it never will function—or rather if it does it will be only to fail. The fact is, there is too much left out in the booming reports. This does not fool very many, as this is an age when men think, and do not gobble up all that appears in the press, especially when there seems to be an ulterior motive in some of the papers to capitalize politically on this move.

I would like to see a pool. I am a believer in co-operation in marketing any product. But I am not fooled into the belief that, with the world as a producer, we of two or three provinces can dominate the world's markets. The fact is, many more are withdrawing than you would be lead to believe from Secretary Jackman's reports.

The fact that John I. McFarland will have nothing to do with this pool goes a long way with those who know this gentleman. He is one of the most level-headed men in all the west. The pool committee tried to use his name to get signers, and when he found he was being exploited for the benefit of the drive committee, he made a plain statement, and he stands on that to-day. As far as I can now understand, all this talk about the committee being able to finance is bunk. True, if they proceed in a proper way, there will be no trouble as to getting advances in the usual way on grain, but there is a sticker. There seems to be little in the statements now being made, as it all depends on proper arrangements being made as to manager, and the usual safeguards, all of which cannot be made till there is quite a different situation than at present exists.

The season for shipping and selling is on now, and will be at its best in a few weeks, and still there is not an elevator, nor any other place where farmers may deliver wheat to the pool, nor are there any arrangements where farmers may deliver to the pool and get advances. This is making many of them sour, and I look for the thing to fall flat. Mind you, I am only voicing what I have learned from men who were a few days ago for the pool, and who to-day are not by any means with it.

* * *

Now as to yields. This is about as mixed a matter as I ever had to do with. In some instances the yields are abnormal, while crops near by, which should ordinarily be just as good, are very disappointing. It is the big yields that are reported in the press. The writers never pay any attention to the averages. I want to say, when the season is over, you will find that on the whole, there are many failures and the totals will not be up to 1915 by any means. I have threshed quite an amount so far, and I thought I had a very good idea as to what I should get from some of the tracts I have already finished. I was doomed to disappointment. The straw is so heavy, it looks as though we should get much larger yields than is being recorded by the machines. I took this matter up with a number of others, as I wanted to find if I was the only one who met this condition, and so far I have not found one who has not had the same experience, where much threshing has been done.

The grades of wheat are good—mostly No. 1, as we have not had any rust, or weather to affect it in a bad way. Oats will be very heavy in most instances, as they were not too far along when the rains came in June.

* * *

In some localities there is a deadlock between the growers and the threshers. The latter have found the straw so heavy that it takes so much longer to thresh than it ordinarily should, and they, with the high costs, are finding they cannot break even and thresh at the rates agreed on. Wheat is being threshed at 13 cents, everything furnished by the thresher, and oats at 8 cents, same conditions. Many are now holding for 15 cents as the least they can thresh for, and I believe it will come to this in many cases.

Help is high and inefficient, fuel high, and repairs out of the question. Everything that enters into the matter of handling a large threshing outfit is such that it is impossible to go on unless at a fair price. This is hard to arrange, as wheat and oats are so low, and the costs have been so great for the farmer to produce them that he feels that he cannot meet any higher prices for threshing.

Should the season be an early one, and rains come, making it more difficult to get the grain out of the straw, I look for very serious conditions, and for farmers to be falling over one another to get rigs to thresh at any old rates.

Should the season remain dry, and threshing continue regularly, things may remain about as they are now, with some heavy crops taking a higher rate. I do not do any threshing but our own, and as we have a large machine, I know exactly what it costs to operate with the conditions as favorable, or much more so, than when one is moving from place to place with all the incident charges added. Generally farmers are hauling direct to the station or elevators, and selling as fast as delivered.

* * *

I have never seen a more unsatisfactory labor situation than now exists. Men simply do not want to work, but they want the pay all the same. I have never seen a year when threshing was done on a ten-hour basis till now, and this adds greatly to the costs. Men will simply not work longer than ten hours, and when one takes into consideration the shortness of the season, and the great cost of a large threshing outfit, and the depreciation from year to year, is it any wonder that so many outfits go broke? I only wonder that more of them do not. As soon as all the stooking is done in all parts, and men are released, I am of the opinion that there will be a better class available for the threshing, and this is sorely needed. We are paying from $4.00 to $7.00 a day and board for men, and when you have to have a crew of some 18 men to run a threshing outfit, it runs into money; there must be a large number of bushels even at 13 cents to meet the daily costs.

* * *

There is much speculation as to what will be done with the many who have come here from the old country for harvest, and when the harvest is over what they will do. I do not think many of them will have made enough to get back home, and I do not know what work can be had to keep them busy this winter. This is a question that is being carefully considered now, and will be a very hard one to solve. Alberta has only too little winter work, and again too many farmers, who otherwise might hire a man or two for the winter, are not in a position financially to do so at this time. Calgary positively will not feed a bunch this winter. Men are not careful as to saving their money, and all this means there will be a time very soon when there will be a difficult situation arise. British Columbia may use some men in the timber, but this will take but a small portion of the number available.

* * *

Business at this time is not at all bad. Merchants are quite hopeful, but feel that this trade will not be extended into the winter very far as to the farmers, as they will need all they have to pay up. I never saw such a mob of collectors as are trailing the country for banks and trust companies and implement houses, and all sorts of institutions. All are persistent in collecting every dollar possible. The farmer is in the main making plans to meet as far as possible all he can, and the danger is that many of them will be so pressed that they will not reserve sufficient to carry them over the winter and to crop in the spring. I believe this is going too far. However, each one feels that now is the time to realize, and he takes no note of how it leaves his debtor. If pressed too far, many will simply quit the country, and leave the farms to grow up to weeds.

Already this is beginning to dawn on the minds of some and a more moderate policy is being taken, but the trouble is that while one may adopt this, along comes another who will insist on his full pound of flesh, and he takes all that the other fellow left. Then the other fellow when he knows this, thinks he has been a fool for not being the first to get his dues.

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Dominion of Canada 5% Bonds
maturing 1928, at 99, to yield 5.24%
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These bonds may be subscribed for now at any of our branches. They may be paid for in cash on or before 15 October, or we will accept in exchange at par
Victory Loan Bonds
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This conversion privilege, if exercised promptly, will give the holder a clear profit of about ¼ of 1%.
THE CANADIAN BANK OF COMMERCE
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NEW GOVERNMENT BOND ISSUE
A NEW issue of Dominion of Canada 5 per cent. Bonds dated October 15th, in denominations of $100, $500, and $1000, maturing in 1928 and 1943, is now being offered to the public.
Holders of Victory Bonds maturing November 1st, 1923, may convert their holdings into the new loan on advantageous terms. Bonds of the old issue will be accepted for conversion at par, the holders retaining their November coupons. The new five-year Bonds are offered at 99 and interest and twenty-year Bonds at 98¼ and interest.
These Bonds are an attractive investment and subscriptions will be received and conversions may be made at any Branch of this Bank, where full particulars will be furnished upon request.
THE ROYAL BANK OF CANADA

THE STAMP TAX
On and after October 1st, 1923, postage stamps may not be used in payment of stamp tax on Cheques, Bills of Exchange, Drafts, Promissory Notes, Bank Statements for Advances or Overdrafts, Receipts, Stock or Bond Transfers, Express Money Orders, Travellers' Cheques, Matches or Playing Cards.
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ACTIVITIES IN N. B. WOODS

FREDERICTON, N.B.—Practically unlimited prospects of employment in the lumber woods of New Brunswick during the coming season were predicted by A. T. Murchie, chief scaler of the Department of Mines and Lands of New Brunswick, following his return from an inspection of conditions in the northern areas of the province. Mr. Murchie estimates the cut on Crown timber lands this year at about 300,000,000 feet, as compared with 220,000,000 feet last year.

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Yield 5.14%

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News and Views for Investors

FRONTENAC BREWERIES

Preferred shareholders of Frontenac Breweries may expect the dividend arrears of $49 a share to be reduced. There is some talk that the whole thing may be wiped off at a single stroke, half cash and half stock. The arrears at one time totalled $56, but one full year's arrears, $7 was paid off a year ago. The regular payments on the stock are now being met. Recent transactions have been around 50 and 52.

LAURENTIDE

Geo. Cahoon, Jr., president of the Laurentide company, states that a misinterpretation of his remarks with respect to losses by timber fires crept into report of the annual meeting. The president was quoted as stating that his company had suffered losses estimated between $2,500,000 and $3,000,000 from two fires in the past year, whereas this referred to the timber properties of the St. Maurice Valley in general.

ABITIBI

The Abitibi Power and Paper Company, has work under way at Kenora, Ont., on a newsprint mill that will eventually be the largest in the world, if the plans of the owners are carried through.

A daily production of 1,000 tons of newsprint papers was planned, and this would double the production of the company, whose plant at Iroquois Falls is now very large.

PRESSED METALS EARNINGS

Pressed Metals earnings are reported to be quite satisfactory and holders of the preferred stock are expecting some word as to the dividend payments now some two and a half years in arrears. The amount of preferred outstanding is very light, interest requirements being only some $16,000 a year, so that it would only take about $40,000 to clear up arrears. According to one report, monthly earnings are approximating that amount, so that repayment is probable in a short time.

STEEL OF CANADA

Steel of Canada finds business good according to President R. Hobson. The company's plant is operating to 80 per cent. of capacity, and employing approximately 5,500 men. There is a good demand for the company's products and recently a shipment of steel rods was made to Japan to be used in the reconstruction of that country. Numerous enquiries have been received from the Steel Company of Canada representative in Japan, and it is expected that orders will be forthcoming from this source within a short time.

LONDON LOEW'S

Directors of London Loew's Theatre, Ltd., declared the regular quarterly dividend on preferred at the rate of 1¾ per cent. and two additional disbursements of 1¾ per cent. each to apply on arears of dividends. Payments are to be made October 15 next to shareholders of record October 1. With this declaration, arrears on preferred have been finally wiped out. Dividends were resumed at the beginning of the current year after an interruption of a year or more and disbursements to shareholders in the current year to date, including the latest declaration, amount in all to 14 per cent.

MILLERS LOOK FOR BETTER BUSINESS

Canadian flour mills which passed through one of the poorest business years in their history, have reasonable hopes of doing better business during the current season. Prices of wheat prevailing last season made it impossible to meet competition in outside countries, especially in Britain where most of our flour goes. Mills manufactured flour and sold it for export on a larger scale; but there appears to have been a general process of price cutting, not only by Canadian mills but British and the mills of other exporting countries than Canada. Most of the flour sold for export went at cost or below last year. Mills, however, made a profit on domestic trade. This year mills will secure wheat supplies at a lower average price than they did last year and as the larger operators produce on a cost basis to compete with any other mill in the world, returns this year should be more favorable. Mills have been cautious buyers so far, taking comparatively little for September delivery because of the high premium on spot contracts, northern grades. The premium should rapidly decline in October and then taking will doubtless be liberal.

PAGE-HERSEY TUBES

The directors of the Page-Hersey Tubes, Ltd., have declared a regular dividend of $1.75 and a bonus of $1 on common, and a dividend of 1¾ per cent. on preferred, all payable October 1 to shareholders of record September 24. The company's dividend record during the year has been eminently satisfactory. At the February meeting of directors, the rate was raised from 5 to 6 per cent., with a bonus of 1½ per cent. In June a disbursement of $1.75 was declared, an increase of 25c. bringing the annual rate to 7 per cent. The latest bonus of $1 brings extra disbursements for the year to $2.50.

NEW BROKERAGE FIRM

It is announced that the business of C. Simpson Garland & Company is being taken over by the Montreal Stock Exchange firm of MacDougall and MacDougall, with Norman Root, partner of the late C. Simpson Garland, becoming a partner of MacDougall and MacDougall. Clients of C. Simpson Garland & Company were advised to this effect by letters from the Royal Trust Company, administrators of the Garland estate. The firm of MacDougall and MacDougall was formed in 1920 by Major H. B. MacDougall, for many years a partner in the firm of Charles Meredith & Company, and R. E. MacDougall, for several years prior to that time floor member for the firm of O'Brien and Williams. Norman Root had been associated with the late Mr. Garland, his brother-in-law, for some years.

NEWSPRINT MARKETS

The call for newsprint continues to be satisfactory. Canadian mills will soon be producing increased quantities of paper, for which of course an outlet has to be found. We are now dependent almost entirely upon the United States for absorbing the great bulk of our tonnage, and indeed, this year have not found it necessary to seek other markets to any considerable extent.

But with the greater production, Canadian mils will be forced to secure additional customers. We understand that steps have been taken to that end, and that we may hope for a largely increased business in some of our sister dominions. Competition there is particularly keen, especially from Scandinavian mills, but the excellent paper produced in Canada will no doubt count for a great deal.

British companies have done a considerable trade with Australia and New Zealand this year, sending 31,272 tons to Australia and 2,999 tons to New Zealand, during the six months ending June, these figures comparing with 5,156 and 733 tons during the six months of 1922.

Finland, Norway, Sweden and Newfoundland are the main sources of Great Britain's outside supply. Of the 64,130 tons imported during the six months ended June, Finland sent 21,680 tons, Norway 10,519 tons, Sweden 10,668 tons and Newfoundland 13,817 tons. Canada did not sell the Old Country a cent's worth.

DOMINION RADIATOR

Dominion Radiator preferred, listed on the Toronto Stock Exchange a month ago, made its initial appearance in the trading on Wednesday of this week, being quoted at 98. An additional block of 25 shares came out yesterday at 97. The Dominion Radiator Co. is a subsidiary of the American Radiator Co. The dividends on preferred at the rate of 7 per cent. are guaranteed by the parent company. Moreover, the American Radiator Co. reserves the right to redeem this stock at par any time in the first five years following the date of the passing of control into its hands or at 105 within the succeeding 10 years. A broker acquainted with the affairs of the company intimated yesterday that it was the company's intention to exercise its option in this connection in the not distant future, possibly within the year.

BANK OF HAMILTON

Bank of Hamilton shares jumped eleven points during the week following the announcement that the examination of the assets of the Bank of Hamilton by officers of the Canadian Bank of Commerce having resulted satisfactorily, the board of directors of the Commerce decided to make an offer to the Bank of Hamilton on the basis of an exchange of share for share, and to call a special general meeting of shareholders of the Canadian Bank of Commerce, November 21, to consider and approve the amalgamation.

PORT HOPE SANITARY

Shareholders of Port Hope Sanitary meet October 20 to consider a by-law to retire the preferred stock by the purchase and cancellation of 5,000 shares. It is proposed to retire $200,000 worth at once and the remainder at a later date. The last annual report showed that 4,560 shares were outstanding and 440 shares were in the treasury. As the company has no constitutional rights to retire these shares, the purpose is to repurchase the stock at a price not to exceed $100. On the common stock, of which 6,000 shares are issued, the company paid a dividend of 6 per cent. for 1921 last December, and it is anticipated that the same rate will be declared at the close of this year. Earnings of the company this year to date are reported to be 25 per cent. ahead of last year, when profits were $203,785, representing over six times preferred dividend requirements. After all expenses of management and depreciation reserves and the 7 per cent. preferred dividend, the surplus was $49,130. The balance sheet showed $106,865 cash, with current assets $330,710, against current liabilities of $39,281.

NO TEXTILE REPORT WILL BE ISSUED

From Our Own Correspondent.

MONTREAL.—It was expected that when the directors of Dominion Textile got back from their summer holidays they would take some action towards putting their last annual statement before the public, but it is now definitely learned by THE FINANCIAL POST that the statement will not be published or sent to the shareholders.

The technical reason given by the company is unassailable. There are no more shareholders of the old Dominion Textile Company, whose operations would be covered in the report. The shareholders all transferred their stock on a basis of three new shares for one old share into the new Dominion Textile Company, and this latter company will not have to issue a statement until next year. The most the officials of the stock exchange could do for the non-issuance of a statement would be to strike old Textile stock off the list, but the stock has already disappeared from the market by the process of exchange.

But the result of the decision not to issue a statement is to leave the shareholders of the new company in the dark as to their exact position. To all intents and purposes the present shareholders are the same as the old list; their equity has not changed. While they have confidence in the company's strength they have not the black and white figures they would like.

BONUS OF 2% FOR INDUSTRIAL ALCOHOL

MONTREAL.—The Canadian Industrial Alcohol Company did not do the expected by increasing its dividend rate this week, but it did the next best thing by declaring a bonus of $2 a share for the present quarter in addition to the regular dividend of $1. This fairly meets the situation forecast by the recent rise in the company's stock.

BUOYANT MINING MARKET FEATURED TRADING OF WEEK

Almost General Advance in Both Golds and Silvers

GENERAL TRADING OFF

Some Groups Were Active, But Many of Them Were Almost Entirely Neglected

The market feature of the week was the very buoyant mining list. Trading in the mine shares was very active and the volume large, passing the half million mark on a couple of occasions. Quite a number of issues, both gold and silver, came in for special attention and some very material price advances were scored.

The general markets were somewhat irregular, fairly active at times and decidedly dull at others. The traction shares provided the major portion of the demand for shares and seven of the nine common stocks of this group that were traded in, scored an advance. The utility group was weak. Not an issue of the group advanced while five declined. Papers were buoyant at times and from steady to firm. Steel and textiles were neglected. The following table gives the market record of the week:

	Total	Gain	Loss	Unchanged
Paper..	10	4	2	4
Industrial ..	23	4	3	16
Traction.. ..	9	7	1	1
Utility	10	0	5	5
Specialties ..	7	1	3	3
Steel.	2	0	0	2
Milling	5	2	1	2
Textile	8	1	2	5
	74	19	17	38

TORONTO.—Toronto rails provided most of the activity of the week, the issue scoring quite an advance and later slipping back. Bank shares were quite actively traded in and some advances, notably on Bank of Hamilton shares, were recorded.

MONTREAL.—The old adage that bonds are strong when stocks are weak seemed to be in evidence this week when the stock market was indicating unfavorable influences at the same time that the Dominion loan was being put across with great success. The stock market reflected the weakness of the New York market, where many observers are predicting no substantial improvement before the end of the year.

It is particularly noticeable that stocks are moving by groups. The utilities, the newsprint stocks, the gold mines, and some specialties such as the brewery stocks have shown strength. This emphasizes the point that has been made in these columns for some weeks past that it is a time for discrimination and careful choice in investing, a plan that will obviate the possibilities of loss.

THE FUTURE OF OUR FOREIGN TRADE

(Continued from page 1)

fighting unit that no other nation or group of nations can afford to protest. She is inclined to be arrogant and boastful, with the result that Britain and the United States are steadily losing sympathy for her and are developing a friendship for Germany; and no doubt before long Britain and the United States will begin to bring economic pressure to bear. The German people appear to be in a bad way. Her industrialists are immensely wealthy and her masses are poor. Many people think there will eventually be an uprising not with Communist objectives, for the people are thoroughly sound, but by the intelligent masses against Stinnes and his group, of whom they will make short work. Ratheneau warned them against this development. Thoughtful persons are now asking who really inspired his assassination. There will then be a reorganization and a return to a monarchy, and preparations will be made—are already under way—to crush Poland, with the aid of Russia, which is under German control, also Czecho-Slovakia which, like Poland, is under French control, and finally to crush France. This may not occur for a generation or more. Many unexpected and sensational developments of this situation are being openly discussed by leaders in business and politics in the United States and Great Britain.

France expects to undersell Britain and the United States in many of her present markets. She figures that, with lower taxes, German labor, efficiency and co-operation, her costs of production will be 50 per cent. less than ours. Already British manufacturers are complaining that French cottons and woollens and linens are being sold in England at less than England can produce in England or Ireland. Moreover, she is beating British manufacturers by superior quality and more attractiveness in some lines.

The lesson for Canadian business is that there is likely to be no settlement of European affairs for many years to come; that we should positively avoid involvement in European business and especially political complications; that we sell them all we can—and they will require a good deal from us—but be sure of our payments; and, finally, to make efforts to develop our trade within the Empire and the United States mainly. In the more distant view will not these unsettlements in Europe mean more agricultural and industrial settlers and more European capital for Canada?

CANADA BREAD HAD AN EXCELLENT YEAR

Canada Bread set a new record during the past fiscal year in the volume of business handled.

The balance at the credit of profit and loss at July 1, 1922, was $478,657. The net revenue of the year ending June 30, 1923, after charging bond interest, was $563,618, to which there was added as interest from investments, $22,199. Deductions from this included depreciation on plant and buildings, $126,000; bond purchases, $12,500; contingency reserve, $100,000; income tax, 1922, $26,779; preferred dividends, $87,500. The balance at credit of profit and loss June 30, 1923, was $711,696. These figures will probably lead the holders of common stock in the company to press for dividend disbursements.

In addition to the profit and loss balance the company has a reserve for depreciation of $584,649, a general reserve of $152,766, and a contingency reserve of $100,000. Its current liabilities to trade, creditors and others, are only $119,785.

Since the close of the fiscal year the company has purchased the Slinn Bread Company, at Ottawa, being the largest and longest established bakery firm in that city, and it is anticipated that the volume of business for the current year will be still further increased.

Mining Corp. to Spend $150,000 in Gillies Limit

Mining Corporation is going to spend $150,000 prospecting the group of 13 claims taken over in Gillies Limit. The claims are on the south end of the Keewatin, just at the diabase contact. In the schisted area, leaf silver has been found. There is a fairly well defined break on the claims, and it is on this break that the shaft will be sunk.

Oxford Cobalt, which is on the northern end of the Keewatin and diabase contact, has resumed operations, and the development on these two properties is being watched with interest.

Safeguard Your Investments

The safe keeping of your certificates is of prime importance, but it is more important still to know their value. Lost certificates may be replaced, but a lost opportunity to take a profit is gone for all time.

Our Security Record Form provides a convenient record for the particulars of your investments and for their periodical valuation.

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New Issue

Dominion of Canada
Refunding Loan 1923

The new Dominion Government 5% five year and twenty year bonds are offered to investors and those now holding 1923 Victory Bonds on a basis which establishes them as the most desirable Canadian Government security marketed for several years. The issue is available in two maturities:

5 Year Bonds due October 15, 1928
Price: 99 yielding 5.23%

20 Year Bonds due October 15, 1943
Price: 98.25 yielding 5.14%

Holders of 1923 Victory Bonds are urged to take immediate advantage of the conversion privilege through which they obtain a bonus of fifteen days' interest in addition to a substantial cash payment for every $100 converted into bonds of the new loan.

Orders and conversion instructions may be telephoned or telegraphed to our nearest office.
Full particulars on request.

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Prompt and courteous service has been given to thousands of investors who have bought or sold Victory Bonds through us. We now solicit their continued goodwill.

Investors should know that we are prepared to receive their subscriptions for the new 5% 20-year and 5-year Refunding Bonds of the Dominion of Canada.

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We will make delivery and accept payment free of exchange charges at customer's own bank. Orders may be telegraphed or telephoned at our expense.

W. L. McKINNON & CO.
Government and Municipal Bonds
Telephone Adelaide 3871. McKinnon Bldg. Toronto

Dominion of Canada
New Government Loan

Holders of 1923 Victory Bonds may exchange through any of our Branches their holdings maturing November 1st next for NEW DOMINION GOVERNMENT 5% bonds due 1928 or 1943 yielding 5.23% and 5.14%.

Cash applications for new loan received, or, if desired, maturing bonds will be collected and credited to customer's account.

No charge whatever for this service.

THE STANDARD BANK OF CANADA
525
Head Office, - - - - 15 King Street West
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MAKING GOOD

Building happens to be our occupation, but our chief business is Making Good, and our greatest recommendation is that for twenty years we have made a success of it!

THOMPSON-STARRETT Company, Limited
Building Construction

1923 VICTORIES

Holders of 1923 Victory Bonds may exchange into the new 5% bonds due 1928 and 1943. As the maturing bonds carry interest to November 1, 1923, and the new bonds bear interest from October 15, 1923, the holders will thus receive a bonus of 15 days' interest, equivalent to ¼ of 1%, if conversion privilege is exercised.

For each $100 bond so exchanged there will be a cash difference, in favour of the holder, of $1 per $100 on the 1928 maturity; and $1.75 per $100 on the 1943 maturity.

We particularly invite holders of small amounts to utilize our facilities for the conversion of their 1923 bonds.

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T. Kelly Dickinson. J. Y. K. Walbank, W. McLea Walbank.

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Will Buy
25 Loew's Buffalo Pfd.
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100 Loew's London Pfd.
10,000 Can. Assoc. Goldfields.

Will Sell
100 Cosgrave Brewery.
25 K. & S. Pfd.
50 K. & S. Com.
3,000 K. & S. 7% Bonds.
25,000 Can. Assoc. Goldfields.

Accurate quotations maintained on all Government, Municipal and Corporation Bonds.

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THIS BOND Yields 8%

The issue is a First Mortgage on property and real estate valued at $1,799,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

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FURTHER CHANGES LIKELY IN STEEL CORP'S AFFAIRS

Appointment of New Director May Be a Preliminary

From Our Own Correspondent

MONTREAL.—The recent movements in British Empire Steel stocks have been somewhat puzzling, but it is believed that there are now negotiations in progress that may lead to new financing and a possible change in the management of the corporation. The appointment of G. H. Downs, a Lackawanna Steel Company man, to the board of directors is believed t have some significance. It is expected that he will succeed D. H. McDougall, who has resigned from the position of vice-president, and that he will go to Sydney to take charge of the active operations of the company there. This might be the preliminary of further extensive changes in the directorate and management.

Recently heavy buying orders for British Empire Steel have come from England, and this has given rise to the suggestion that English interests may take a more extensive hand in developments. The recent visit to the plant of certain English financiers may have had some significance also in this regard. On the other hand much of the selling has come from England, and it is understood that stockbrokers in Montreal have an option on a large block of stock formerly held by an English shareholder.

Same Interests In Again

Another suggestion that is going around is that the interests who, about a year ago, negotiated for the bond issue of the company, and who were believed to have in mind taking over the operations from a financial standpoint, at least, may again attempt to work out the affairs of the company upon such a basis that they could do any further financing that might be necessary.

An interesting appointment this week was that of Frank Lucas to be head of the department for the sale of coke of the British Empire Steel Corp. It has been suggested for some time that the coal from Nova Scotia could be used for domestic and other heating purposes in Quebec province, if coke ovens were established near Montreal. In any event, the future of the coke market of the Steel Company is exceptionally bright.

For the next few weeks the Steel Company will be under investigation to a certain degree, a Royal Commission having been appointed to inquire into the causes of the unrest among the workers in the employ of the company, and the calling out of the militia at the time of the last strike in Cape Breton. Dr. James W. Robertson, of Ottawa, has been appointed as chairman of the commission, and the other two members are Fred Bancroft, of Toronto, and J. J. Johnson, K. C., of Charlottetown, P. E. I.

BUYING THE BONDS HELPS CANADIANS

Also Provides Excellent Security and Always Readily Convertible Into Cash

From Our Own Correspondent.

MONTREAL.—The Sun Life, which has been in the position this year of having a larger sum to invest than has ever been invested before in one year by any other Canadian institution—$70,000,000—seized readily upon the excellent opportunity afforded by the Dominion of Canada refunding loan to enter its subscription for $10,000,000. This was the largest and first subscription to the loan.

Speaking to THE FINANCIAL POST, this week, T. B. Macauley president of the Sun Life, declared that the new loan appealed to his company not only as an opportunity to support Canadian development but as a fine investment.

"The bonds have undoubted security, and are readily convertible into cash. They appeal to us as Canadians because we want to support Canadian development, and because we want to do our part to make Canada independent of other countries for its supply of capital.

"The bonds are for a longer term than any other Dominion government issue and yield a much better rate than is obtainable on United States government bonds.

"In subscribing we felt, too, that we were doing our share to make the loan the success that it is now apparent it is going to be."

Another institution which found the loan very welcome was the Eastern Trust Company of Halifax, which came forward with a magnificent $1,000,000 subscription. The Eastern Trust controls a very large percentage of the municipal sinking funds of Nova Scotia and the laws of the province provide that the money shall be invested either in Nova Scotia or Dominion bonds. Nova Scotia bonds are closely held and difficult to purchase at an attractive yield. The new loan, therefore, provided the trust company with a large block of long term securities of fair yield and of the high grade required for the sinking funds and other trust investments.

Two of the large textile corporations, of which Sir Charles Gordon is president, the Dominion Textile Corporation, and Montreal Cottons each subscribed $1,000,000 to the loan appreciating its advantages for the investment of business reserves.

The Montreal City and District Savings bank, which does not make commercial loans but invests its deposits only in high grade bonds and debentures, subscribed to $1,350,000 of the bonds in addition to the sales to its clients.

ANOTHER RECORD IN NEWSPRINT OUTPUT

From Our Own Correspondent

MONTREAL.—August was the greatest month on record in Canadian newsprint production. A total of 114,721 tons of newsprint was produced in the month in twenty Canadian mills. For six successive months the figure has gone over the 100,000 tons mark. The average daily production in August was 4,249 tons, also a new high record.

The figures are those of the Newsprint Service Bureau.

MANUFACTURERS OPPOSED TO TWO SELLING PRICES

Say That Would Be Case If Sales Tax Is Absorbed

Discussing the proposal made by certain wholesale interests that manufacturers should conceal in their selling prices the new 6 per cent. sales tax to come into effect on Jan. 1, George Spence, sales manager, The Steel Company of Canada, Ltd., Hamilton, Ont., stated to Hardware and Metal that from present indications this firm would continue to follow the policy which has been adhered to under the existing sales tax, viz.: handling the sales tax as a separate item. Apart from the question of it facilitating matters to merely extend the present plan to cope with the 6 per cent. tax, and eliminating any necessity of interfering with existing lists and discounts on the various products manufactured, there are some other important considerations involved.

It was pointed out that were the firm to adjust prices so as to include the sales tax, two sets of prices would be necessary in selling to wholesalers, according as they are licensed or unlicensed. Reference to the official copy of the act concerning the new sales tax indicated that where a manufacturer sells to an unlicensed wholesaler, the tax is collected on that transaction, but in selling to a licensed wholesaler no sales tax applies until the merchandise passes on from that wholesaler. Thus it is quite evident a price including the sales tax in one case would not do in the other case, and it is held much confusion would result, especially where longstanding lists and discounts are in effect.

ASBESTOS FORCED TO CUT DIVIDEND ON BOTH STOCKS

Action Gives Point to Discussions of Merger Planned

From Our Own Correspondent

MONTREAL.—Asbestos Corporation has suffered from three important causes this year; foreign competition, which cut into its European markets, price cutting by the Canadian producers, and from a fire at its plant. All of these have contributed to reducing the company's profits, and have brought about a reduction in the dividend rate. For the quarter ending September 30 dividends on the preferred stock will be 1½ per cent. instead of 1¾ per cent., and on the common stock 1 per cent. instead of 1½ per cent.

A letter from the president, W. G. Ross, is going out to shareholders this week end. It reads in part:

"While the shipments of asbestos have shown an increase this year over last, the prices have been considerably reduced, owing to the senseless competition among the Canadian Companies. There has also been a falling off in the demand for our company's higher grades, due to some extent to Rhodesian competition, as well as the unsettled condition of affairs in Europe. In addition to this, the company's production has suffered through the destruction by fire of the Kings Mine mill.

"These factors have affected your company's profits to an extent that will preclude your directors from continuing the dividends at the present rate for the balance of this year. These dividends might have been continued by assistance from the past surplus earnings of the company, which your directors have carefully conserved from year to year, but owing to the stipulation contained in the by-laws of the company under which the various securities were originally issued, to the effect that dividends can only be declared out of the earnings of the current year, your directors have not the power to make use of any previous surplus earnings to make up any shortage of the current year.

"Your company is, however, in a strong financial condition, practically no change having taken place in this respect since the balance sheet submitted at the close of last year, and is, therefore, in excellent position to meet competitive rates until such time as the other mining companies change their attitude.

"It is anticipated the new mill at the Kings Mine will be completed and in operation by the first of the year."

It is learned that the negotiations for the merger of the asbestos producers of Quebec province are proceeding. In fact two distinct mergers are in process of negotiation. The larger one is planned to bring together the Asbestos Corporation, the Consolidated Asbestos, and probably the Black Lake Company of J. A. Jacobs. Mr. Jacobs, on the other hand, is trying to work out a merger of his Black Lake Company with Asbestos Mines, and one small American company. Probably an attempt will be made to bring all the companies together.

A Will makes sure that your dependents receive the property you intend for them.

A Trust makes sure that they keep it.

ON GUARD

Ask us about both.

National Trust Company
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Paid-up Capital and Reserve $4,000,000
Assets under Administration $112,000,000

22 King Street East, Toronto

October Dividends

OCTOBER DIVIDEND PAYMENTS

Dividends	$12,772,865
Bond Interest	11,661,972
	$24,434,837

Industrials, Utilities, etc.

Company	Rate	Date	Amount
Abitibi, com.	1q	15	$50,000
Do., pref.	1¾q	3	17,500
Amer. Cyan., pref.	1½q	3	83,938
Amer. Salesb'k, com.	1q	15	6,146
Asbestos Corp., com.	1q	15	30,000
Do., pref.	1½q	15	60,000
Atlas Brick, pref.	2q	15	2,900
Atlantic Underwear.	3½s	1	7,000
Belgo-Can. Paper	1¾q	15	70,000
Bell Telephone	2q	15	640,980
Bird & Son, pref.	1¾q	1	7,000
Brand.-Hender., pref.	1¾q	1	8,775
Brazilian, pref.	1½q	1	150,000
Brit. Amer. Oil	50c+2q	1	220,000
Burt, F. N., com.	2½q	3	55,827
Do., pref.	1¾q	3	8,611
Canada Bread, pref.	1¾q	2	21,875
Canada Cement, com.	1½q	16	202,500
Can. Con. Cot., pref.	2q	1	60,000
Can. Cottons, com.	2q	4	54,310
Do., pref.	1½q	4	54,922
Can. Explos., pref.	1¾q	15	81,375
Can. Gen. Elec., com.	1½q	1	162,000
Do., pref.	3½s	1	70,000
Can. Loco., com.	1q	1	20,000
Do., pref.	1¾q	1	26,250
Canadian Sale	2q	1	24,000
City Dairy, com.	2½q	3	14,125
Do., pref.	1¾q	3	12,250
Consumers' Gas	2½q	1	150,000
Can. Westinghouse	2q	1	148,558
Dome Mines	$1.00q	20	476,660
Dom. Canners, pref.	1¾q	3	40,085
Dom. Glass, com.	1¾q	1	74,375
Do., pref.	1¾q	1	45,500
Dominion Iron, pref.	1¾q	1	87,500
Dom. Stores, com.	50c.s	1	12,500
Dom. Telegraph	1½q	1	15,000
Dom. Textile, com.	1q	2	50,000
Do., pref.	1¾q	15	33,960
Dul.-Sup. r., pref.	$1.00q	3	15,000
Donnacona Pap., pref.	1¾q	1	35,000
Dunlop Tire, pref.	1¾q	1	10,500
East. Theatres, pref.	3½	15	17,500
Frontenac Br., pref.	1¾q	21	5,250
Goodwins, pref.	1¾q	3	30,625
Goodyear Tire, pref.	1¾q	3	78,750
Do., prior pref.	1½q	3	51,583
Gould Mfg., com.	1½q	2	11,212
Do., pref.	1¾q	2	13,080
Hollinger Mines	1m	10	246,000
Hillcrest Coll., com.	1½q	15	15,000
Do., pref.	1¾q	15	12,349
Illinois Power, com.	1¾q	1	313,957
Do., pref.	1½q	1	28,129
Illinois Trac., pref.	1½q	1	109,342
Do., com.	50c	15	57,655
Inter. Petroleum	25c	3	1,780,886
Kerr Lake Mines	12½c	15	75,000
Laurentide Power	1¼q	15	131,250
Laurentide	1½q	1	432,000
Loew's London, pref.	1¾q	15	5,950
Do. (arrears)	1¾+1¾	15	11,900
Mackay, com.	1¾q	3	724,157
Do., pref.	1q	3	500,000
Maple Leaf Mill., com	2q	18	50,000
Do., pref.	1¾q	18	51,275
Montreal Telegraph.	2q	15	40,000
Maritime Tel., com.	1½q	1	12,750
Do., pref. (a)	1½q	1	15,000
Do., pref. (b)	1¾q	1	26,250
Nat. Breweries, com.	1q	1	90,172
Do., pref.	1¾q	1	48,562
Nipissing Mines	3q	20	90,000
N. Star Oil, pref.	1¾q	1	17,500
N.S. Steel, pref.	2q	15	16,420
Ogilvie Flour, com.	3+10q	3	325,000
Ottawa Car	1q	1	11,779
Ottawa L., H. & P.	1½q	1	61,250
Ottawa Traction	1q	1	55,815
Ottawa Electric	3q	1	56,316
Pacific Burt, pref.	1¾q	1	11,375
Page Hersey, com.	$2.75q	2	75,790
Do., pref.	1¾q	2	49,000
Penn. Water & Pr.	1¾q	1	148,662
Porto Rico Rys., pref.	1¾q	2	17,500
Price Bros.	½q	1	213,416
Provincial Pap., com.	1½q	1	52,500
Do., pref.	1¾q	1	29,750
Port Art. Ship., pref.	1¾q	1	10,010
Quebec Power, pref.	1¾q	15	24,625
Rogers, Wm., pref.	1¾q	3	19,649
Shawinigan	1¾q	10	350,000
Shredded Wh't, com.	2q	1	200,000
Do., pref.	1½q	1	18,750
Smith, H., Pap., com.	1½q	20	55,405
Do., pref.	2q	20	30,000
So. Can. Power, pref.	1½q	15	37,500
Span. R. Pulp, com.	1¾q	15	157,420
Do., pref.	1¾q	15	150,840
Sterling Coal	1q	1	25,000
Tri-City, pref.	1½q	1	45,000
Trinidad Elec.	1q	11	11,640
Tuckett Tob., com.	1q	15	25,000
Do., pref.	1¾q	15	35,000
Twin City, pref.	1¾q	1	52,500
Wabasso Cotton	1q	3	35,000
West India Elec.	1¼q	3	10,000
West Koot. Pr., pref.	1¾q	2	8,750
West. Grocers, pref.	1¾q	15	41,800
Winnipeg Elec., pref.	1¾q	2	52,500
Woods Mfg., pref.	1¾q	1	27,063
Wright Hargreaves	2½q	1	68,750
			$11,126,781

Banks

Bank	Rate	Date	Amount
Dominion	3q	3	$180,000
Molsons	3q	3	120,000
Montreal C. & Dis.	2½q	3	37,462
Nova Scotia	4q	3	400,000
Provincial	2¼q	2	67,500
			$804,962

Loan, Trust, Insurance

Company	Rate	Date	Amount
Chartered Trust	1¾q	1	$ 9,020
Can. Landed	2½q	3	30,125
Con. Permanent	3q	3	210,000
Cen. Canada	2½q	1	43,750
Canada Life	3¾q	3	37,500
Can. Perm. Trust	1¼q	1	12,500
Crown Trust	1½q	1	7,500
Dominion Life	4q	1	6,400
East. Can. Savings	2q	1	15,000
Eastern Trust	2½q	3	25,000
Home Investment	2q	1	19,852
Huron & Erie	1¾q	1	87,500
Guar. of N. Amer.	3q	15	9,138
Imperial Life	3¾	1	16,875
London Loan	1¾q	1	15,600
London & West. Tr.	1¾q	2	8,750
Montreal Trust	3q	15	30,000
Mercantile Trust	1½q	1	7,500
National Trust	3q	1	60,000
National Life	2½q	1	6,250
Ontario Loan	2½q	3	43,750
Royal Loan & Sav.	2¼q	2	13,500
Toronto Gen. Trusts	3q	2	60,000
Toronto Mortgage	2½q	1	18,112
Toronto Savings	3q	3	30,000
Union Trust	1¾q	3	17,500
			$841,122

q—quarterly.
s—half-yearly.
m—monthly.

Bond Interest Due In October

Company	Int. Rate	Due	Amount
Amer. Salesbook	6	1927	$ 7,956
Algoma Steel	5	1962	388,770
Bell Telephone	5	1925	281,250
Do.	7	1925	192,500
Bay Sulphite	6½	1943	97,500
Brandram-Hend.	6	1936	8,988
Can. Niagara Pow.	6	1932	45,000
Canada Cement	6	1929	173,922
Can. Cons. Rubber	6	1946	78,000
Can. Cons. Felt	6	1940	8,895
Can. Gen. Electric	6	1942	150,000
Can. Paperboard	7	1937	28,000
Carriage Factories	6	1940	160,374
Can. Northern Pac.	4½	1950	193,815
Cumberland Ry.	5	1940	28,550
Commercial Cable.	4	2397	200,000
Davidson Mfg.	6	1942	8,262
Dom. Canners	6	1940	39,600
Dryden Paper	6	1928	10,050
Do.	6	1945	33,000
Dom. P'r. & Trans.	5	1932	139,100
Fraser Companies.	6	1929	45,000
Goulds Mfg.	6	1942	27,000
Hydraulic Power.	5	1951	162,500
Intercol. Coal	5	1918	1,675
King Edward Hotel	7	1933	22,900
Montreal L. P. (Lachine)	5	——	72,750
Mont. Tram. (Deb.)	5	——	441,250
Mount Royal Hotel (Deb.)	8	——	11,408
Montreal Cotton	5	1944	15,122
Niagara Falls Pr.	6	1932	237,420
Ottawa L., H. & Pr.	8	1940	48,000
Pacific Burt	6½	1937	11,375
Rio de Janeiro Tram.	5	1958	604,620
Sawyer-Massey	6	1927	9,330
Western Power	7	1926	17,500
Winnipeg Elec. Ry.	4½	Perp.	88,550

Corporation Bonds	$4,138,682
Municipal Bonds	*3,400,000
Provincial Bonds	*2,800,000
2nd War Loan Bonds	1,323,290
	$11,661,972

*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

STOCK MOVEMENTS OF THE WEEK

Week Ending Sept. 25

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	193¼	192	193½	192¼	193½	182
Dominion	12	—	185	188	184½	185	42
Hamilton	12	187	184	190	175	185½	352
Hochelaga	10	146	—	145	145	145	131
Imperial	12	180	179½	180	178⅞	180	64
Molsons	12	—	161	164	157½	162	68
Montreal	12	234	230	234	232	232	239
Nationale	6	98	—	98	98	98	13
Nova Scotia	16	254	253	253	252	252	21
Royal	12	—	218	218½	218	218	193
Standard	12	171	170	170⅛	170	170	684
Toronto	12	181	180	181	181	181	72
Union	8	108	107	108	106	107	395
Industrials, Utilities, Etc.—							
Abitibi, com.	4	60⅞	60¼	61⅜	60	61	930
Amer. Salesbook, com.	4	40	38	39	39	39	20
Do., pref.	7	90	88	89	89	89	10
Asbestos Corp., com.	6	—	45	45½	45	45	82
Atlantic Sugar, com.	—	18	16½	17½	16¾	17	181
Do., pref.	—	38	—	37	36¾	37	165
Barcelona Traction	—	15½	14¾	15	13½	14½	450
Bell Telephone	8	122½	122	124½	121½	122½	629
B. C. Fishing	—	16	15	16	15	15	35
Brazilian Traction	4	43	42½	43¼	42	42⅞	1218
B. E. Steel, com.	—	7	5	6⅛	6	6	539
Do., 1st. pref.	7	60¼	—	60	58½	60	132
Do., 2nd pref.	—	17	16¾	17½	16¾	17	3808
Brompton Pulp	—	41¾	41¼	42	40⅝	41½	2430
Burt, F. N., com.	10	126	125	126	125	125	48
Canada Bread, pref.	7	91	—	91	91	91	26
Can. Car & Foundry, com.	—	24½	22¾	22	22	22	90
Do., pref.	—	75¼	—	76	74	74¾	765
Canada Cement, com.	6	—	85¼	85¼	85	85¼	273
Do., pref.	7	—	102	103¼	103	103	122
Canada Steamships, com.	—	14¼	13¾	14⅝	14	14	160
Do., pref.	—	49	48¼	49¼	48½	48½	280
Can. Converters	7	—	88	88	88	88	50
Can. Cottons, com.	8	—	104	106	106	106	25
Do., pref.	6	91	—	91	90	90	50
Can. General Electric, com.	6	100	99	99¼	98½	99¼	141
Do., pref.	7	103½	—	103½	103½	103½	10
Can. Pacific Railway	10	145	144½	146	144	144¾	163
Can. Woollens, com.	—	9½	8½	5	5	5	10
Can. Conn. Cotton, pref.	8	82	—	82	81½	82	25
City Dairy, com.	10	147	145	147	146	147	35
Consumers Gas	10	159	158	158½	158	158	96
Cuban Can. Sugar, com.	—	7½	—	7¾	6	7½	386
Do., pref.	—	30	29⅜	30	25½	30	380
Detroit United Rly	6	68½	67½	68	66	68	899
Dominion Bridge	4	—	63¾	64	64	64	230
Dominion Glass, com.	7	92¾	92½	92¼	92½	92½	142
Do., pref.	7	—	102½	103¼	103¼	103¼	25
Dominion Coal, pref.	7	82	—	82	82	82	5
Dominion Radiator, pref.	—	100	97	98	97	97	100
Dom. Steel Corp., pref.	6	75	—	70	70	70	5
Dom. Textile, com.	4	63	62½	64	63	63	325
Duluth Superior	—	—	39	38⅛	37½	38	87
Ford Motor	15	—	425	425	410	410	4
Goodyear Tire, pref.	7	80	—	80	78	78	27
Illinois Traction, com.	—	53	51⅝	51½	50⅞	51	251
Do., pref.	6	91	90	91	90	90	161
Interprov. Brick, com.	6	68	—	68	68	68	25
Lake of Woods Milling, com.	12	166	160	165	164	165	89
Laurentide Paper	6	92¾	92	93¾	91	92	2617
Mackay, com.	7	112	111	112	111	111½	124
Do., pref.	4	68	67½	67¾	67½	67¾	27
Maple Leaf Milling, com.	8	40	38	42	40	40	25
Do., pref.	7	65	—	65	64¾	64¾	201
Mexican Light, com.	—	25	20	20	20	20	50
Monarch Knitting, pref.	7	—	80	80	80	80	11
Montreal Cottons, pref.	7	106	—	106	106	106	45
Montreal Light, Heat, Cons.	6	127	126½	129½	126¼	126½	3153
Montreal Telegraph	8	52	—	53	52	52	114
National Breweries, com.	4	51⅞	51¾	52	48	51⅞	3030
Ottawa Light, Heat	6	82	—	84½	81¾	81¾	275
Pacific Burt, pref.	7	—	99	99	95	99	9
Penmans, com.	8	—	139¾	140¼	139½	140¼	106
Do., pref.	6	99¼	—	98½	98½	98½	2
Porto Rico Rlys., com.	—	—	15	18	18	18	15
Price Bros.	2	42¼	40	42¼	42	42	75
Provincial Paper, pref.	7	—	94	94	94	94	25
Quebec Railway	—	18	17	18½	16¾	17	2040
Riordon, com.	—	15	10	20	12	12	400
Quebec Power, com.	—	70	—	10	70	70	25
Do., pref.	7	88	—	88	88	88	1
Rogers, Wm. A., com.	—	50	—	50	50	50	5
Shawinigan Water & Power	7	118½	118	119½	118	118	435
Sherwin Williams, com.	6	109½	—	108	108	108	10
Do., pref.	7	100	—	100¼	100	100	25
Spanish River Pulp, com.	7	90¼	88¾	89½	88½	89⅛	315
Do., pref.	7	—	99¾	100	99¾	100	306
Smith, Howard, Paper, com.	6	73	—	72	72	72	105
Do., pref.	8	102	—	101	101	101	3
Steel of Canada, com.	7	68¾	67¾	68⅜	68	68	227
Do., pref.	7	99½	—	99¼	99	99	118
St. Lawrence Flour, com.	6	52	51	51	51	51	75
St. Maurice Paper	6	108	107	110	106¼	109	305
Toronto Railway	—	84½	84	89½	80	85	5692
Tuckett Tobacco, com.	4	50	48	50	50	50	100
Twin City, com.	6	—	65½	66	65	66	160
Do., pref.	7	100½	—	100	99¾	99¾	75
Wayagamack	—	—	41	42	39½	39½	78
Western Canada Flour	8	—	93	95	93	93	38
Winnipeg Electric, com.	—	31	—	30	30	30	1
Do., pref.	7	85	82	83	82	82¼	47
Woods Manufacturing, com.	8	53	—	50	50	50	15
Canada Landed	10	75	74½	74¾	73	74½	56
Can. Permanent	12	187	184	184	184	184	2
Toronto Mortgage	10	—	77	78	78	78	11

NOVEL ALLEGATIONS BEING MADE OVER GRAND TRUNK CASE

Canada Blamed for Forcing Bankruptcy by Refusing Rate Increase

WRITER HITS OUT

Says Railway Manipulated Accounts and Did Not Present Accurate Reports to Shareholders

That the chances of the English holders of Grand Trunk juniors stocks of getting something out of the Canadian government depend to a great extent on the amount of energy displayed by the committee which the shareholders recently named, says "The Financier," an English financial daily. This evidently refers to the creation of a "nuisance value," described in a report to THE FINANCIAL POST from London last week.

Interesting light on the views on the situation in England are given by "The Financier." It says that the "nuisance value" is recognized in Canada, and quotes a letter, signed "Canadian," to support it. In this letter the writer argued that the government and people of Canada should make a final adjustment with shareholders of the Grand Trunk and the Grand Trunk Pacific which would leave absolutely no ground for criticism in the British money market. He added:

"One does not believe that in the particular and technical sense Grand Trunk shareholders have a claim against the Canadian Government, but there are other considerations involved which perhaps cannot wisely be left out of the account."

"The Financier" states that it does not know what is meant by "particular and technical sense," but admits that the shareholders have no legal claim. It proceeds:

"As for the other consideration involved, the chief among these is the lack of inducement to British and American capitalists to invest in Canadian enterprises if the government of that country shows such callous disregard for their interests as in the case of the Grand Trunk, which was forced into bankruptcy owing to the rejection of its repeated claims to advance rates to meet the exceptional rise in working expenses due to the war."

This is perhaps the first time the allegation has been made that the Grand Trunk was forced into bankruptcy because of the refusal of permission to advance rates.

"Canadian" alleges that the Grand Trunk "manipulated its current accounts, presented statements to the shareholders which were not strictly accurate, and made representations of earnings which were not in accordance with the facts. The board did not correct these misstatements when it was negotiating with the government, and the facts were only disclosed during the course of the arbitration."

This brings from "The Financier" the statement that these have never been thoroughly sifted, and if the stockholders' committee intends to place the true facts before the people of Canada, it is obvious that these allegations cannot be ignored.

The paper then proceeds:

"Apparently the view is held in Canada that the incompetent administration of the Grand Trunk and its failure to produce satisfactory financial results injured the credit of Canada abroad and affected unfavorably many other Canadian investments and enterprises. The argument is that, so far from the Dominion being liable for compensation, it has a claim for moral and intellectual damages against the Grand Trunk. This, however, we cannot regard as a serious statement of the facts. The position of a stockholder such as our correspondent, who invested £4,000 in this enterprise and who had nothing to guide him apart from the accounts and statements of earnings issued by the board, is deserving of every consideration. His money helped to keep going an important section of the Canadan National Railways, and, despite what has happened, he has every moral right to share in the future profits of that undertaking. We therefore reiterate our former opinion that compensation to the junior stockholders should take the form of a reversionary interest in the profits of the railway system proportionate to that which they held in the old Grand Trunk Railway."

Employment Continues at High Level in Canada

OTTAWA.—Employment at the beginning of September, as indicated in reports from 5,794 employers tabulated by the Dominion Bureau of Statistics, remained on practically the same level as at the first of August. The payrolls included 821.471 persons, as compared with 824.398 in the last report; the index number, therefore, declined from 100.2 on the latter date to 100 at the beginning of this month, while at the same period of 1922, it had stood at 93.7, and in 1921 at 88.7. The minor decrease was to a large extent due to loss in personnel in railway construction gangs on account of men leaving for the harvest, which is the largest on record. Since agriculture is not represented in these employment statistics, a corresponding expansion in that industry is not shown, although employment throughout the country at the beginning of September was no doubt in greater volume than in the month before.

JAMAICA PUBLIC SERVICE

Jamaica Public Service Co. will list a new issue of $550,000, 7 per cent. preferred which is being offered at 95 at Montreal. This concern took over West India Electric and Jamaica Light and Power. It is controlled in Montreal.

Tourist Crops Proving Profitable to the West

WINNIPEG.—The West is coming to appreciate the growing potentialities of its tourist crops, as an increasing valuable adjunct to its only other industry, the industry of agriculture. British Columbia as the real playground of the Canadian West for tourists finds that its "crop" this season has brought $40,000,000. Alberta, Saskatchewan and Manitoba cannot hope immediately to attract that much outside capital. Manitoba, however, expects to realize an additional $400,000 new revenue from the operation of the provincial government liquor stores in the first year. While this may be regarded as a modest sum compared with the actual tourist business, this will, no doubt, be greatly augmented by the spending of newly attracted incomers.

QUEBEC POWER ISSUE ALMOST AT ONCE

Financing to Amount of Four Millions Now That Dealing Is Reached

From Our Own Correspondent

MONTREAL.—September 28 is the date the offer to Quebec Railway shareholders closes, and with the attainment of that deadline the further negotiations for the financing of the Quebec Power Company can proceed. It is understood that only about five per cent. of Quebec Railway shareholders declined to accept the offer of Quebec Power stock in exchange for their holdings.

It appears that after the declaration of the Quebec Power preferred dividend last week, income bondholders, who for years had been without any return on their investment, have also accepted the offer.

It is expected that in a few days some of the leaders of the movement to obtain better terms from the Quebec Power directorate, are to advise shareholders to take advantage immediately of the offer made by the Quebec Power Company, so that by the 28th instant, on which date the delay for the exchange of stock ends, only those who will have been unable to exchange their shares will remain out of the new company.

A meeting of the Quebec Power Company is expected to take place next week, at which the directors will ask the ratification of a project to float immediately an issue of $4,000,000 worth of bonds. It is also learned that the deed by which the Quebec Railway, Light, Heat and Power Company will form part of the Quebec Company is now being prepared and will be signed by the interested parties within a fortnight.

ANOTHER APPEAL ON R'LWAY ARBITRATION

Neither Side Seems Satisfied in Recent Toronto Rails Decision

The city of Toronto won and lost in its appeal of the Toronto Railway award. It succeeded in having $543,000 of the property ordered taken over cut off, along with the interest on the same. It failed, however, in its appeal for a modification of the arbitration valuation method. The stock market seemed to view the decision of the First Divisional Court as a victory for the company, and the price of the issue rose steadily. Talk of a further appeal on the part of the city resulted in a reaction.

The action of the court reduces the award to $10,645,000. It also places in jeopardy the million dollars interest which the city was expected to pay. The court ruled that the arbitrators had no power to order the city to pay 5 per cent. interest on the $11,188,500 award from the date of the taking over of the system. But there is no power to prevent the Railway Company from applying to the courts for an order compelling the city to pay this interest.

As matters now stand, neither side is satisfied, and talk of a further appeal is quite general.

EXPANSION OF B. E. STEEL UNDER WAY

Addition to the Board of Late Head of Lackawanna Steel Regarded as Significant

MONTREAL.—Geo. F. Downs, former president of Lackawanna Steel Co., has been named a director of the British Empire Steel, and a member of the executive committee. He takes the post made vacant by the resignation of Col. D. H. McDougall, vice-president.

The name of Mr. Downs was prominent a year ago when the reorganization of British Empire Steel was under way. At that time he was frequently mentioned as one of the prominent American steel interests who would likely become closely identified with the Canadian corporation. As president of the Lackawanna Steel Company, Mr. Downs has for many years been closely identified with coal as well as steel problems, and on this account has had an experience that will be of special value in connection with the development plans of the British Empire Steel.

Mr. McDougall has been associated with the companies now forming the British Empire Steel Corporation for the past twenty years and is familiar with all units of the concern. He has filled the positions of superintendent of the Wabana Ore Mines, general manager of the Dominion Coal Company, general manager of the Dominion Steel Corporation, president of the Nova Scotia Steel and Coal Company, and vice-president of the British Empire Steel Corporation.

He remains a member of the board.

WAYS OF SECURING FUNDS DENOUNCED

Justice Fisher Suggests Methods of London Motors be Investigated by Shareholders

The methods of financing employed by London Motors, Ltd., was denounced by Mr. Justice Fisher in his judgment in a case he heard at Sarnia.

Robert Wilkinson, aged 85, a shareholder in London Motors, was canvassed for a further purchase, and exhibited a $5,000 Victory Bond when giving a cheque for an additional purchase of $1,000 of stock. Later the salesman and president of the company returned. "They were after the $5,000 Victory bond," says the judgment, and they asked the old man to let them have the bond and they would not only return it to him in 30 days, but would pay over to him $2,500. The bond was taken and a receipt given to the effect that it was received in payment for shares. The judge in conclusion says:

"If this company," he says, "is not able to exist without the aid of money secured as the bond and cheques were alleged to have been secured in this transaction and not denied, it then seems to me the shareholders would be considering their best interests by holding an investigation of the methods adopted in selling its shares."

WAS NOT A PARTNER

N. P. Bryant Charged With Theft of Canadian Cotton Shares

That N. P. Bryant, the Montreal manager of Bryant-Izard & Co., was not a partner in the firm was the statement made at the trial of N. P. Bryant, charged with the theft of 50 shares of Canadian Cottons. This was the property of J. H. Turner, Beebe, Que. E. Bryant said that the Montreal office started a year after the Toronto office opened, but it soon grew to be bigger than the Toronto business. N. P. Bryant's salary was $150 a week.

CAPE BRETON ELECTRIC

Gross earnings of the Cape Breton Electric Co., for the month of July amounting to $53,995, showed an increase of $1,283 compared with the same month in 1922. Operating expenses and taxes amounting to $50,166, left net earnings at $3,828 as compared with $13,145 in the previous year, a decrease of $9,316. Interest charges amounted to $5,629, while the balance for reserves, replacements and dividends showed a deficit of $1,800.

Gross for the twelve months ending with July amounted to $677,950, or an increase of $20,879 over the previous year. Operating expenses amounted to $587,515, and net at $90,435 showed an increase of $18,895.

SIR JOHN HENDRIE'S SECURITIES VARIED

Wide Holdings in Stocks and Bonds Revealed by His Will

The late Sir John Hendrie, of Hamilton, former lieutenant-governor of Ontario and president of the Bank of Hamilton, left an estate valued at $1,368,208. Sir John's investments covered a wide range of stocks and bonds. His main items, however, were Victory bonds.

The figures follow:

Insurance—Canada Life, $45,843.75; New York Life, $11,000; Sun Life, $1,703; I.O.O.F., $1,000; Sons of Scotland, $250; total, $59,796.75.

Cash and Bonds—Cash, Bank of Montreal, $7,206; Bank of Hamilton, $34,647. Bonds: Ancaster Tp., $8,397; Dominion 1927, $31,138; 1933, $164,935; 1934, $4,180; 1937, $233,174; Burlington Beach com., $29,724; Clyde & Sissiboo Pulp, $20,191; Gr. Northern Power, $14,622; Hamilton Debentures: 1928, $18,576; 1929, $2,070; K. Ed. Hotel, $2,176; Ontario County, $1,336; Whitby, $1,665; Renfrew County, $12,560; S. Canada Power, $10,026; Steel Co. of Canada, $24,264; Tamahaac Club, $979; Winnipeg Electric, $37,357.

Stocks—1 Big Point Club, $2,000; 8 Canada Life, $1,784; 200 C.P.R., $30,200; 77 Can. N. W. Land Co., $2,233; 20 Consumers Gas, $3,130; 4 C. Gen. Elec., $408; 100 Dom. Power, $9,300; 24 Dom. Bank, $4,656; 43 Det. & Cleveland Nav., $3,139; 12 Det. River & Land, $1,200; 400 Bk. of Hamilton, $63,600; 100 G. W. Life, $23,600; 1 Hamilton Golf, $100; 3,105 Ham. Bridge, $248,400; 241 Hendrie & Co., $15,675; 1 Hendrie Invest. Co., $50; 20 Laidlaw Bale & Tie, $1,800; 100 Mercantile Trust, $8,800; 40 Mackay Co., $2,720; 600 Mackay Co., $65,400; 6 Ont. Jockey Club, $6,000; 200 Steel of Canada, $20,200; 25 Toronto Ferry, $1,250; 200 Tucketts, $18,800; 1 Victoria Rolling, $3,000; 178 Peg Western Land, $10,680; 2,000 shares Treth.-Cobalt, $8,000.

THE FINANCIAL REVIEW

A total of 518 industrial and financial institutions, with details of their latest financial statements and stock market records are covered by the Annual Review for Canada compiled by W. R. Houston. Included are the insurance and guarantee companies, the banks, industrial concerns, land, loan, mortgage and savings companies, public utilities, producing mines, navigation companies, transportation companies, telegraph, telephone and cable companies.

In addition the Review gives the members of the Montreal and Toronto stock exchanges and regulations covering these bodies, high and low prices for various listed securities and sales during the year, full particulars and details of various war loans outstanding and other general information of interest to the investor and the financial community.

Public Subscription is invited for

Dominion of Canada

Refunding Loan 1923

5% Bonds

Dated and bearing interest from 15th October, 1923, and offered in two maturities as follows:

20 year Bonds due 15th October, 1943
5 year Bonds due 15th October, 1928

Principal payable at the office of the Receiver-General at Ottawa or that of the Assistant Receiver-General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary or Victoria. Semi-annual interest (15th April and 15th October) payable at any branch in Canada of any chartered bank.

Denominations: $100, $500, $1000

All bonds may be registered as to principal only, and bonds in denomination of $500 and authorized multiples thereof may be fully registered.

These bonds are authorized under Act of the Parliament of Canada, and both principal and interest are a charge upon the Consolidated Revenue Fund.

To Cash Subscribers

Offering Terms

This issue presents a most attractive investment. The security is incomparable and the income return high. The bonds will occupy an investment position equal to that of Canada's Victory Bonds.

The bonds are offered for cash at the following prices:

20 YEAR BONDS
98.25 and interest yielding 5.14%

5 YEAR BONDS
99 and interest yielding 5.23%

This offer is made subject to prior sale and to advance in price.

To Holders of 1923 Victory Bonds

In addition to the bonds offered for cash it has been arranged that all owners of Victory Bonds due November 1st, 1923, may exchange their holdings for the same amount of the new issue. They will receive in cash the difference between the face value of their maturing bonds and the purchase price of the new security, namely: at the rate of $1.75 per $100 for 20 year bonds and $1.00 for 5 year bonds.

Special Privilege

Interest coupons on bonds exchanged are to be retained by the owner and cashed on November 1st. As the new bonds will be dated October 15th, **holders who exchange will thus receive an extra half month's** interest thereby reducing the cost of 20 year bonds from 98.25, and 5 year bonds from 99, to the following:

20 YEAR BONDS
98.02 and interest yielding 5.16%

5 YEAR BONDS
98.77 and interest yielding 5.28%

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OIL OVER-SUPPLY TO BE FOLLOWED BY A SHORTAGE

Changed Conditions are Expected Within Next Two Years

NEW YORK.—Recurring periods of a surplus of oil suggest a study of the present condition of over-production and expansion in the industry. As the consumptive requirements of the country are large, it is reasonable to assume the present period will not prove permanent.

The large oil companies that transport their crude oil, refine and have established marketing facilities, are in a strategic position to store cheap crude oil, which will represent a substantial profit when prices are back to normal. There are other large companies that produce, as well as refine and market, that can take advantage of present conditions, according to Barrons.

There are some small companies that operate in all three cycles of the oil business (production, refining marketing), but not all of them have been in business a sufficient number of years to build up plant and equipment out of earnings and arrive at strong working capital positions. There are a great number of small companies, representing in the aggregate a considerable percentage of the output of oil, that are confined to either producing, or refining, or marketing. A period of price-cutting goes hard with them.

Financing to Carry Inventory

Established oil companies in strong financial position usually issue bonds or short-term notes to carry their oil in storage during a period of over-production.

Small producing companies and small refining companies, without high ratio of current assets (chiefly cash) to current liabilities, move their products at distress prices, or borrow from the banks when able to do so, to meet current expenses. It is a question always how far into debt such companies would have to go to survive the period of over-production.

With current prices for gasoline, and if crude oil is cut sharply in price, inventory losses will have to be written off this year in either case. Present tank-wagon price of gasoline (the ultimate product) represents decreased earnings for even the companies in all three cycles of the business. The capitalization of some companies after stock dividends of last year makes the immediate outlook for increased annual dividends doubtful, and in some cases the maintenance of present dividends inadvisable.

However, for companies strong and long-established the outlook for increased earnings in future, when the present period of surplus production is over, is good.

War Prices for Crude Oil

Over-production of crude oil to-day. while due largely to California and the bringing-in there late last year of three pools of hitherto unheard of productivity, may find one of its causes in the high price of crude oil during and after the war.

The price of crude at the well during 1917 and 1918 when it was a war necessity was carried over into 1919 and in 1920 the highest price of mid-continent crude on record $3.50 per barrel, prevailed.

Price of crude oil is posted by the large purchasing companies, and high prices were made in the above years to encourage new drilling and finding of oil, and had that result. The long-range point of view indicated in 1919 a shortage of crude oil in view of large consumptive requirements. However, the policy of certain large companies to leave the risk of producing oil to smaller companies and individuals was a factor.

The effect of the high prices of crude was to let into the oil business a number of small high-cost companies, resulting in a country-wide drilling campaign carried on until recently, and in over-production and over-expansion in the industry. To-day the low-cost companies will be the ones to survive. Processes of expansion are followed by those of deflation.

The outlook to-day is considered by many in the business to indicate a shortage or period of under-production in late 1924, or 1925, depending largely upon how long the over-production in California lasts.

Raw Pulpwood Being Rushed Across Border

From Our Own Correspondent

MONTREAL.—Exports of pulp and paper from Canada rose in August to $13,295,269. This was considerably over the July total of $12,066,819.

Exports of pulpwood in August were 163,411 cords, valued at $1,790,772. This is the second highest figure for the year, the previous highest total being 197,544 cords in June.

The first five months of the current fiscal year have witnessed a large increase in the exports of pulp and paper over those for the corresponding months of 1922; the total value for the five months of this year being $58,686,700, compared with $45,897,590 for last year. This increase in value reflects a considerable increase in actual tonnage.

There has also been a noticeable increase in our exports of pulpwood in these five months. During this period there have been exported 700,716 cords of wood, valued at $6,873,165. In the corresponding months of 1922 the total was only 411,661 cords, valued at $4,255,333, so that our exports of this raw material this year have increased over last year by 70 per cent.

Ground Wood Pulp is Now Bringing $45 a Ton

Ground wood pulp prices have advanced to $45. This development is of importance to many Canadian producers, as a great many of the pulp and paper companies have a surplus of some size to place on the market.

The price recently crept up slowly to $42 per ton. Somewhat over a year ago there was considerable of a slump in the market. Ground wood pulp sold down as low as $23.

It is stated that the increased demand resulting in the advance has arisen in at least some measure from low water conditions in the States of Maine and New York so that the supply for American mills from producers in those States has been considerably curtailed. The result is that the consumers across the line have to look to Canadian producers for their supplies.

CUBAN CAN. SUGAR PROFITS INCREASED

Company Cut Large Sum Off Its Profit and Loss Account Deficit

From Our Own Correspondent.

MONTREAL.—A further substantial reduction in the deficit of Cuban Canadian Sugar Company was achieved in the fiscal year that ended June 30 last. The president, George T. Walker, in his report, forecasts still further improvement in the position of the company, due to the generally recognized favorable position of the sugar industry.

Profits and appropriations for three years past compared as follows:

	1923	1922	1921
Profits	$ 970,506	$ 595,016	$ *870,920
Interest	235,464	245,821	280,060
	$ 735,042	$ 349,195	**$1,150,980
Depreciation	276,982	301,065	433,252
	$ 458,060	$ 48,130	**$1,584,232
Reserve	84,800	....	202,465
Net Profit	$ 373,260	$ 48,130	†$1,786,699
Prev. Bal.	**1,415,500	1,463,630	323,069
Deficit	$1,042,240	$1,415,500	$1,463,630

*Operating Loss.
**Debit.
†Net Deficit.

Working capital stands at $774,028, an increase of $181,214 for the year.

In his report, the president says:

"There has been a very marked improvement in the sugar industry. Your company's plant is in excellent condition. Future capital expenditures should be relatively small. New planting of cane made during the past year should result in an increased annual production of sugar. These factors, combined with the generally recognized favorable position of the sugar industry, all point to a steady substantial improvement in the position of the company."

The People and The Forest Wealth

Sir Joseph Flavelle, in Quebec Chronicle.

That we, the Canadian people, who own eighty-five per cent. of all our forest area, should open wide the gates to unrestrained forest destruction is a spectacle quite unworthy of a nation that lays claim to shrewdness and foresight.

Unfortunately, most of us shift along under the belief that the forests of Canada are privately owned. This is not true. The governments are not alone the owners of the bulk of forested lands, but they are obviously the natural protectors. As long as we look to private companies of lumbermen and paper makers we are missing the main point. The people themselves must take on the job of protecting and perpetuating a resource that belongs to the next generation quite as much as the people of 1923.

Do we fully realize that every square mile of standing timber is on a rising market and that vandalism, represented by human-set forest fires, enforces a higher penalty today than at any previous time? We cannot carry on the business of Canada without forests. Let us face that fact, and all that it connotes. There is hardly any price that we cannot afford to pay for the enforcement of forest protection. I do not think it is at all unreasonable to say that no government has any right to extract revenue from the forests to be spent on ordinary civil purposes until every effort has been made, and every dollar spent, that will make the forests secure and self-perpetuating.

Quebec Will Auction Three Water Powers

The way Quebec handles its water powers is evidenced by the offer to lease by public auction, on October 16 next, three groups of water power rapids on the Megiscane River, in the county of Temiscamingue, in proximity to the Transcontinental Railway. The first group is located below the outlet of Lake Failon, at three miles from the Transcontinental, and the gross minimum power is estimated at about 7,600 h.p. The second group is in the township of Dollard, with a minimum gross power said to reach 2,600 h.p. The third group is situated in the same township and the minimum power to be developed is set at 7,000 h.p., the three groups' minimum development reaching about 20,000 h.p. The term of the lease is 70 years and the upset annual rental of each $4,000, with an annual supplementary charge or royalty 50c. per h.p., with additional 50c. per h.p. on exported power, and a revision of the royalty and mode of computing same after each period of ten years computed from date plant is completed and operation begun.

BRITAIN'S BRAZIL INVESTMENT IS 286 MILLION STERLING

Wall Street Journal Makes Survey of Investments

"Total British capital invested in Brazil is estimated at £286,000,000. This consists of government loans and industrial capital. It compares with $271,000,000 from United States. Both estimates are rough, but are based on the best information obtainable," says, in part, the South American expert of the Wall Street Journal, in a recent issue.

"Outstanding of government sterling loans floated in London is as follows:—

For federal union	£109,271,856
For federal districts	7,107,370
For the states	12,473,418
For the municipalities	8,159,452
Total of government sterling loans	£137,012,096

"Several government loans were floated simultaneously in London and Paris. In most cases sterling and francs quotas were discriminated. In some cases proportion issued in England and France is not accurately known. One San Paulo State loan was issued in Berlin. Outstanding is now £2,975,301, and all the bonds are deposited in London banks in order to obtain service in sterling to which it is entitled. But title to greater part of this issue is probably not in British hands, and loan is classified as French.

"Sterling total should be reduced by amount of sterling Brazil bonds held in the United States, which must be more than £10,000,000, and increased by amount of bonds held in Great Britain which were originally credited to France and Germany, which is probably less than £10,000,000. If, however, Brazil currency bonds held in Great Britain are added, total of £137,000,000 may be accepted as a fair estimate of Brazil Government debt held by British investors.

"Outstanding are 16 sterling loans to federal government, four to federal district (one of which with federal guaranty), 13 to the states (of which four in full and four in partial default), and 16 to the municipalities (of which eight in full default). Aggregate of interest in arrears is £1,424,880, and is here included with outstanding total.

"London Stock Exchange official list contains names of 74 corporations with activities exclusively Brazilian. Share and debenture capital, including preferred stock, paid up ordinary and deferred shares, debentures and bond issues, aggregates £113,366,544.

"Corporations on Stock Exchange list trading largely, but not exclusively in Brazil, number 22, including five banks (three English and two Canadian), six shipping companies, two telegraph companies, and nine manufacturing companies. Their aggregate paid up capital runs into nearly £100,000,000. Possibly 25 per cent. of this is employed in Brazil, say £25,000,000.

"Fourteen British insurance companies trade in Brazil. A small proportion of their capital, say £667,000, has been estimated to pertain to their Brazilian activities.

"Several British companies trading in Brazil, exclusively or partially, are not listed on the London Stock Exchange. Their capital may be estimated at £10,000,000.

"Of the 74 companies listed on London Stock Exchange 26 are paying no dividends or interest on their bond issues. Although many of the others are earning considerable net profits, average interest of the whole capital invested was, therefore, only 3.3 per cent. last year.

"Companies established south of the Bahia paid 3.6 per cent., whereas those established north of Bahia, and including that city, paid 1.6 per cent. Best paying concerns are the mining corporations, which paid 12.9 per cent. on their total capital."

One Person in Ten In Canada Has 'Phone

OTTAWA.—There were 10.53 telephones per 100 population in Canada in 1922, and in this respect Canada ranks second among the countries of the world, the United States coming first. The telephones per 100 population for the provinces were as follows: British Columbia, 15.9; Alberta, 10.89; Nova Scotia, 6.87; Ontario, 13.59; Manitoba, 10.78; Quebec, 6.58; Saskatchewan, 12.24; New Brunswick, 6.96; P. E. Island, 5.80.

The growth in the number of telephones in Canada has been continuous since the first statistics were compiled for 1911, when 302,759 were reported. In 1922 this had increased to 944,029, or an increase of 212 per cent. in 11 years. When compared with the increase of 21.95 per cent. in the population from 1911 to 1921, this development is quite remarkable. The greatest increases since 1914 have been in Ontario with 173,000 more telephones, and in Saskatchewan, with an increase of 70,000, although the latter province shows the greatest rate of increase, viz.: 270 per cent.

CUBA RAILROAD

Net earnings of the Cuba Railroad Co. for the year ending June shows an increase of $1,276,514 when compared with the previous period. The annual report reflects the recovery made by Cuba from the business depression in evidence during the previous two years. There were no labor troubles of any consequence during the year, and President H. C. Lakin points out that a general increase of 10 per cent. in wages was voluntarily granted because it was considered that the employees were justly entitled to it.

Riordon Shareholders Subscribed Freely

From Our Own Correspondent.

MONTREAL.—Riordon shareholders are stated to have come forward with very substantial subscriptions to stock in the newly reorganized company, and their part of the reorganization work is understood to have been carried out as well as had been expected.

The rights of subscription remained open until September 28. There were some 5,000 shareholders.

Big Business by Chain Stores and Mail Houses

NEW YORK.—Chain stores and mail order houses made an excellent showing in 1922 compared with previous years. In the case of the former, 1922 was the best in their history. Few lines have shown the tremendous growth of the chain stores. With each succeeding year, sales and profits mount to new high levels. This is attributable not only to opening of new stores, but to the steadily increasing popularity of existing locations.

Showing of mail order houses in 1922 was noteworthy in that it reflected a complete recovery from inflation period of 1920 and subsequent deflation. When the deflation set in two years ago, large mail order houses here overstocked with high-priced merchandise. Falling prices and decreased demand necessitated drastic writing down of inventories and disposition of surplus stocks, resulting in large losses in 1921.

TOURISTS IN MARITIMES

FREDERICTON, N.B.—It is expected that the tourist record for 1923 will show that 1,000 more cars visited New Brunswick this year than for 1922. It is considered that this is largely due to the efforts at publicity which were made this year. It is estimated that the province will have received $100,000 more this year from the tourist business than it did in 1922.

NATIONAL RAILWAYS IMPROVE 1922 RECORD

Deficit of $1,000,000 For Eight Months Turned Into Five Million Operating Surplus

From Our Own Correspondent

MONTREAL.—Up to the end of August the Canadian National Railways had effected a net improvement of more than $6,000,000 in their operating record over the corresponding period of 1922. The operating surplus for the eight months totalled $5,011,845, although the first eight months of 1922 resulted in an operating deficit of $1,166,098.

In the statement of operating results for the month of August another substantial increase in the net earnings of the system is shown. Gross earnings have increased $1,566,123, or 7.7 per cent., as compared with August, 1922. After deducting operating expenses, which amounted to $19,940,909, a net operating revenue is shown for the month amounting to $2,027,000, as compared with net operating revenue of $1,036,894 for the corresponding month of 1922. The net for August, 1923, shows a gain of $555,157 over the preceding month of July, 1923, and is 95.5 per cent. in excess of the net shown for August, 1922.

Gross earnings, operating expenses and net earnings for the month of August and for the eight months compare as follows:

August	1923	1922	Increase.
Gross	21,968,294	20,402,171	1,566,123
Op. Exp.	19,940,909	19,363,277	575,632
Net	2,027,385	1,036,894	990,491
Eight Months—			
Gross	159,749,815	142,507,747	17,242,068
Op. Ex.	134,737,970	143,675,845	11,063,125
Net	5,011,845	*1,166,098	6,177,943

*—Deficit.

A. Weaver, manager of the Omemee branch of the Bank of Toronto, was called to Toronto to the head office last week.—Peterborough Examiner.

American Cyanamid Co. Earned $25.40 a Share

American Cyanamid earned $25.40 per share on $6,594,300 common stock. The showing is the most notable in the company's history. It is understood that the directors are to meet at once to consider increasing the present dividend rate of $4.

The company is the only producer of cyanamid on the continent, its plant being at Niagara Falls. During the year extensive plant alterations were made, including additions and improvements, which will considerably increase the output and potential earning power.

Current assets stand at $4,454,483, including $746,413 cash and $1,963,956 government securities. Current liabilities total $1,269,800.

The stock is to be listed in New York.

Wall Street Brokers Have Reduced Loans

NEW YORK.—Brokers' money borrowings are down $600,000,000 from the high point this year. The total now is $1,400,000,000, the shrinkage in the past month being $50,000,000.

The high point was in February, when total loans of brokers aggregated approximately $2,000,000,000. There has been a gradual recession from that level each month to date.

In mid-September last year, brokers' loans totaled $1,700,000,000, while in January. 1922, they were as low as $650,000,000.

Present borrowings compare with those of May, 1922, when the figure was about $1,400,000,000.

SHORTAGE OF LUMBERMEN

OTTAWA.—That there is to be a shortage of men in the lumber camps and farms in the Ottawa Valley this Fall and Winter, and that some 2,000 of the 12,000 British harvesters now in Western Canada could be used in this connection, was the statement of Ontario Government officials here.

McLAUGHLIN-Buick

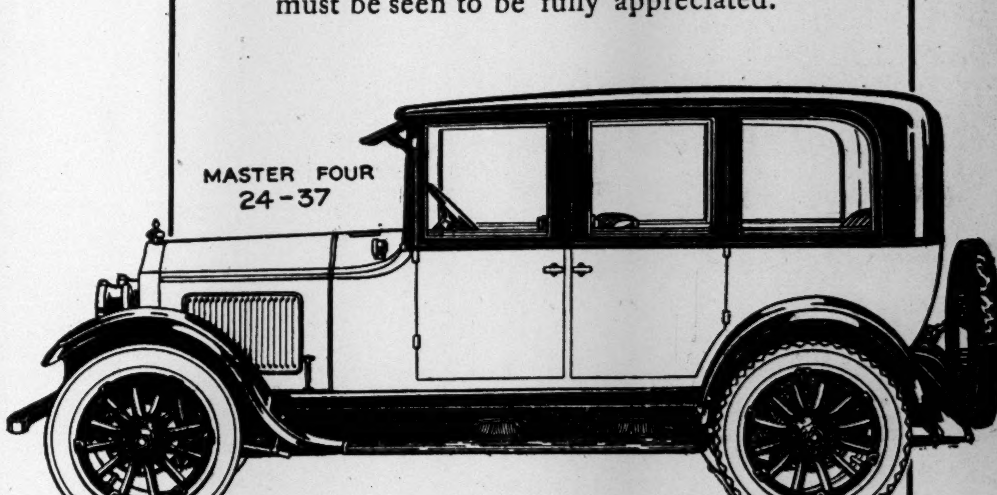
One Car in Three – a Closed Car

THE preference among new car owners is decidedly for the comfort of the closed car.

The new McLaughlin-Buick Master Four Sedan with its new roomy Fisher-built body, new luxurious upholstery, its graceful lines and superfine appointments, fulfills at a surprisingly low cost, all the demands of the fastidious motorist.

And coupled with this elegance is the well-known McLaughlin-Buick Master Four Chassis with all the rugged efficiency that has established the McLaughlin-Buick as Canada's Standard Car. New improvements include Four Wheel brakes, new radiator and hood design, new aluminum running boards with nickel plated scuff plates, and many other features—a car that must be seen to be fully appreciated.

MASTER FOUR 24-37



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DIAMOND DRILL EDWARDS

English interests associated with Porcupine-Davidson have the Edwards claim on the border of Delora under option, and wil diamond drill it. The property is west of the Dome. Col. R. Fielding, Davidson consulting engineer from London, declares the Edwards to be a "museum specimen," in so far as geology is concerned.

KEEN SEARCH FOR SILVER MINES BY BIG U. S. INTERESTS

Mexico and British Columbia Are Scenes of Activity

Advices from New York are to the effect that leaders in the mining and smelting industry are conducting a keen search for new silver mines. At the present time they are quite active in Mexico, Idaho and British Columbia. Real del Monte, U. S. smelting subsidiary, has just secured an 18 months' option to purchase new properties in the State of Guerrero for $900,000.

American Smelting will take over the Cia. Metalurgica Mexicana smelter at San Luis Potosi. This transaction will cost more than $1,500,000.

These interests are now working four properties in Idaho and British Columbia, through subsidiary Federal M. & S. Co. The old Minnie Moore mine, near Hailey, Idaho, is now being unwatered. There is said to be a large tonnage of lead-silver ore in the old stopes, which were shut down about 25 years ago.

In British Columbia, one property, called the Hudson Bay Mountain, carries high-grade silver-lead ore, carload shipments averaging $100 a ton. The Fairview mine, in the southern part of the province, has a 20-foot quartz vein for which a concentrator may be built. Dome Mountain mine, out from Telkwa, is also showing good results.

American Smelting is particularly anxious to develop large silver-lead ore reserves in proximity to its East Helena smelter so that it may dictate the smelting rates throughout the Northwest by control of "majority tonnage" in that quarter.

Holly Now in Position to Talk to Power Co.

The Appellate Division has upheld the Hollinger damage claim against the Northern Power. The amount of damages are yet to be fixed.

Hollinger claimed $2,000,000 because the power company did not supply them with power, holding that when the shortage came the other customers should not have been supplied.

The market seemed to show some optimism over the decision. It is hard to see how the situation prior to the decision could be viewed with pessimism. Hollinger claims it was entitled to all the power it needed. Now the company claims that Hollinger must always take its power for the mine. Hollinger is going ahead with its own power development. It is now in a better position, to be sure, to talk to the power company. It denies the claim of the power company, but if the worst comes, it can only mean that Hollinger will be forced into the power business.

Vipond's Values Run Higher Than Reported

Directors of Vipond erred on the side of conservatism when they told the shareholders at the annual meeting that values ran around $11. This meant that the sections which gave high values were passed over. Thus the sections on the 5th level where the ore runs from $70 to $350 were discounted.

It is stated that at the end of July ore reserves were estimated at 210,885 tons of $6.62 ore of a gross value of $1,396,107.56, of which 75,000 tons was of about $9 grade, or of a gross value of $675,000.

Since that date there has been a considerable increase in the reserves, the increase being composed almost entirely of ore of good quality which will naturally improve the general average. At the moment, apart from relatively large amounts of poorer material, it is estimated that there has been opened up not less than 100,000 tons of ore of a grade of not less than $10, or sufficient at least to keep the mill supplied for a period of about two years.

It is expected that the mill will be ready to commence operation by the middle of November with a daily capacity of 150 tons.

POWER TO MATACHEWAN

Canadian Matachewan will soon have power to proceed with development if the directors elect to proceed. The plant on the property is being put in shape rapidly. Some of the directors favor an immediate start, while others have declared in favor of a substantial treasury before any work is undertaken. The power line to the property is now being erected.

Gold Mine Millheads

	1st half 1923	1922	1921
Hollinger	$7.08	$8.23	$8.46
Dome	11.80	11.38	6.80
McIntyre	9.05	9.84	10.68
Teck-Hughes	30.11	14.48	9.37
Lake Shore	26.10	19.44	22.24
Wright-Hargreaves	9.95	11.53	13.00

REFUSE 55 CENTS FOR C.W.DOME'S TREASURY

Excellent Underground Development Likely Lead To Its Rejection

Consolidated West Dome directors are reported to have rejected an offer of 50 and later 55 cents a share for 1,000,000 shares of treasury stock, deciding not to sell at a price below 60. A group of U.S. people make the bid and are now considering the counter offer of the company.

Undoubtedly the decision of the directors has been dictated by the favorable results being obtained underground. The drift on the 600-ft. level has now opened up 30 feet of $19 ore with ore still in the face of the drift. The shaft is being driven down in the meantime and has reached the 650-ft. level. A crosscut is to be driven on the 500-ft. level to top the Heinze vein of the old West Dome and incidentally cut into the area where high-grade ore was proven to exist by diamond drills. The drills are said to have cut 15 different ore faces between the 700 and 1,500 levels.

Consolidated Dome Lake has 320 acres and a fair-sized mill.

Tonopah Making Drive For Northern Prospects

The Tonopah Mining Co. of Nevada, which has been doing surface and development work on three Kirkland Lake properties and is developing the Wakenda in Shining Tree, is undertaking to sample a group of five claims, the Christopherson holdings, two miles west of the railway at Swastika. The formation is said to be identical with that of the Kirkland Lake camp and the claims are in direct line with the break of that camp. The development of these claims would be one more step toward linking up all the gold producing areas, as it would bridge a part of the distance to Matachewan.

Tonopah has three engineers on the field looking for properties.

KEORA VALUES LOW

Diamond Drill Shows Formation to be Excellent

The second diamond drill hole on the Keora has been completed. No commercial ore was encountered in either. On the other hand, the assay of the core showed decidedly favorable mineralization with values running low. The geological formation revealed is ideal. As a result of his studies of the situation, the engineer in charge declares the results obtained warrant the sinking of additional holes to the north. This is now under consideration.

Keeley Interests Are Adding To Holdings

H. B. Wills, acting for his associates in the Keeley silver mine, has purchased two claims in South Lorrain next to the Canadian Lorrain property. The deal was for cash. The claims adjoin the Maidens and will likely be added to the holdings.

PRODUCED A MILLION

Teck-Hughes Annual Report Is Now Being Prepared

Teck-Hughes annual report, now in course of preparation, is expected to show a gross income of over $1,000,000. Another important feature to be looked for is the expectation that the millheads will have run over $30. The previous year they were around $11. It is estimated that the division of the year's earnings will be two-fifths costs, three-fifths net profit. It is expected that the report will show ore reserves to be double a year ago.

WINNIPEG RAILWAY BUYS OWN COAL MINE

Winnipeg.—Winnipeg Street Railway is ensuring a steady supply of coal. It has purchased the Canada West mine at Taber, Alta.

QUEEN LEBEL OPERATION

Fair success has been met with by John Taylor & Sons' operations on the 300-ft. level of Queen Lebel, Kirkland Lake. Sinking to the 500-ft. level may be undertaken, it is said.

Proprietary Co. Like Keeley Found Long Distance Management Poor

Tough-Oakes-Burnside is the name of the new mining company to handle the property of the Kirkland Lake Proprietary.

The organization of a Canadian company to manage this British company is the result of an experience similar to that of the Keeley people. They found management from England by men who did not know conditions in Canada impossible. The experience of the Proprietary company was even more regrettable. The concern made no progress. The management was not good, and yet highly costly. Canadian mining enterprise was injured in England as a result.

The British people retain control, but the affairs of the concern are in the hands of an excellent board, which will give real confidence in the enterprise and real management.

Keeley found the change beneficial in a surprising degree. It saved money and expedited the development of the property. The Tough-Oakes-Burnside property is an excellent one and has only required intelligent management, which could not be given by men far removed from the scene of operations and unfamiliar with conditions.

Heavy Canadian shareholders in the Proprietary long ago sold their holdings, so disgusted did they become with the way matters were handled.

CANADIANS ARE TO MANAGE KIRKLAND PROPRIETARY MINE

Tough-Oakes-Burnside Concern to Handle Old Producer

The stock of Tough-Oakes-Burnside mine, a Canadian company, taking over control of Kirkland Lake proprietary of London, Eng., was listed this week on the Standard Exchange. This is rather a unique event in mining, as it is a rare thing for a stock to be held off the mining market until such time as it has produced. However, the fact that there have been no shares in Canadian funds, all being held in England, until recently, is responsible for this condition.

The Tough-Oakes-Burnside is an amalgamation of the Tough-Oakes, the original producer and dividend-payer of Kirkland Lake, and the Burnside. The capital of the new company will be $5,000,000, one dollar shares. Kirkland Lake Proprietary (1919) Limited, owner of 95 per cent. of Tough-Oakes stock, receives share for share in the enlarged company, or approximately 2,850,000 shares. A further one million new shares are being paid out for the three Burnside claims and the two K. L. P. claims lying just east of Tough-Oakes. Of the remaining million shares it is understood a large block has been taken up by Toronto interests.

The property is located on the east end of the main ore zone of the camp. The total acreage is 400. Tough-Oakes produced the richest ore in the camp. The average was around $30. Ore reserves are now estimated as being equal to a mill run of two and a half years, and it is the intention of the new company to start milling in a short time. The No. 3 shaft on the Burnside is down to 300 feet, and the Tough-Oakes workings have been connected from the bottom of the shaft.

Drifting west on the main break on the 800 level has this week opened up ore containing visible gold and tellurides. The vein over a width of five feet gave assays around $100. The vein has been opened now for 200 feet, but in the other parts of the drift the values were medium.

Judge F. H. Phippen, Toronto, is president of the Canadian Co., and H. S. Denny, London, Eng., mining engineer, is vice-president.

Attention Once Again Turns to Quebec Areas

The increase in richness of the ore body on the Thompson Chadborne Noranda claims, the Lake Fortune discovery, also rich, and the purchase by the Crown Reserve of a large group of claims, in Destor, Que., has again focused attention on Quebec. So far the mineralized zone on the Noranda has been traced for over a mile and shows an average width of over 400 feet.

STUDIED NORTH CLOSELY

Leading English Engineer Much Taken With the North

Col. Fielding, consulting engineer of Porcupine Davidson and one of the foremost mining engineers of London, has just completed a close study of Northern Ontario's mines. He did the job thoroughly, visiting all the camps and going underground at practically all the mines. He went home decidedly well informed and impressed with the possibilities of the country. He is delighted with the progress being made on the Davidson.

Mining Stock Quotations

Week Ending Sept. 25

	High	Low	Close	Sales
Apex	3	2¾	3	3500
Atlas	6½	5	5½	6000
Argonaut	71	67	67	8200
Baldwin	7¾	6¼	7	200200
Beatty	11½	9¾	11½	95000
Beaver	33½	31	31¾	44000
Bidgood	8	6¾	7½	43000
Buckingham	10½	7¾	9¾	109000
Castle Trethewey	39	27	35	212000
Chaput Hughes	6½	6	6	14000
Coniagas	2.50	2.40	2.40	200
Cons. Smelters	26⅝	26	26½	424
Cons. West Dome	34	28¼	34	215400
Clifton	21	17	21	43000
Col. Kirkland	10	7	7	5000
Crown Reserve	61½	54½	61	86700
Davidson E. Rights	4½	—	—	2000
Dome Mines	40.00	38.50	39.99	2795
Gold Reef	2¼	2	2¼	17000
Goldale	56	53	55	28800
Hattie	16¼	13	14¾	195500
Hillcrest, pref.	90	89⅞	90	30
Hollinger	12.00	11.30	12.00	6755
Hunton	9¼	8¾	9	11000
Inspiration	11½	11	11	1500
Keora	7¼	7	7	20100
Keeley	2.05	1.97	1.97	2000
Kirkland Lake	41	35½	41	13000
La Rose	27	26	26¼	7000
Lake Shore	3.40	3.25	3.37	6200
Lorraine	22½	17½	20½	272000
Montreal-Ont.	48	45	47	4550
Matach. Gold	46¼	44	46¼	48467
McIntyre	17.50	16.00	17.15	5985
McKinley Darr.	17	15	17	9500
Mining Corp.	3.25	3.05	3.10	4725
Moneta	20½	15	18¾	30500
Newray	49	43	48¼	54875
Nipissing	6.00	5.45	5.90	2450
Ophir	1¼	—	—	4000
Peterson Lake	11½	9¾	10¾	18100
Porcupine Crown	13	10½	12¾	14500
Porcupine Tisdale	2	—	—	1000
Preston E. Dome	13¾	11¾	13¼	60500
Sterling Coal	45	44	44	40
Teck Hughes	1.41	1.20	1.37	186800
Timiskaming	38	36½	38	400
Thompson Krist	7	4¼	6¾	109000
Trethewey	5	2¼	5	9400
Vickers	36	32¾	36	28000
Vipond Cons.	95	79	94	175500
Wasapika	5	4¼	4¾	7000
West Tree	9	8	8½	38800
Wettlaufer	10	9½	10	11500
Wright-Hargreaves	2.95	2.80	2.92	700
(New York Prices)				
It. Nickel, com.	12⅝	11½	12⅜	5600

We recommend the purchase of—
Vipond Newray
Vickers Goldale
We believe these Mining Stocks are an Exceptionally good purchase at present prices.
—ORDERS MAY BE WIRED AT OUR EXPENSE—
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34 KING ST. EAST TORONTO
PHONE MAIN 4440

Significant Facts Concerning Vipond Cons.
MINE ore reserves of Vipond Consolidated increased $1,000,000 in value during the past two months.
Section of mine now being developed considered by the very efficient management as rich as the richest section in the world-famed Hollinger Mine, which adjoins Vipond Consolidated.
Mine ore reserves (positive) more than sufficient for two-year supply for the company's 150-ton daily capacity milling plant.
Company's treasury now contains approximately $175,000.
Gold producing stage expected to be reached early in December.
Arthur E. Moysey & Co.
FOUNDED 1904 LIMITED
Private Wire Direct to the Mining Camps
242 BAY ST. (PHONE: ELGIN 5171) TORONTO

"Timely Talks on Mining"

By Irving J. Isbell

TALK NUMBER FIVE

Mining is rapidly coming into its own, and many investors who formerly preferred almost any kind of an investment in preference to mining, are now placing their funds in precious metal stocks. This is especially true of Northern Ontario gold and silver issues. Many of the leading publications of this country and the United States were openly antagonistic to mining investments so late as five years ago, but to-day, these same periodicals publish long articles and details of the wonderful progress in this remarkable industry. The antagonism of a few years ago has gradually changed to enthusiastic commendation and I may say that this has been largely brought about by the splendid record of production and dividends by such mines as Hollinger, McIntyre, Dome, Lake Shore and Wright-Hargreaves among the gold producers, and Nipissing, Kerr Lake, Coniagas, Mining Corporation and Crown Reserve, etc., among the silver producers.

To those who may still be sceptical of the possibilities of Northern Ontario mining, I would recommend that they read and carefully digest, the statement made by the President of the Institute of Mining and Metallurgy of America, after a recent visit of members of this institute to the mining fields of the North. Nobody could read this article without becoming impressed with the importance of the mining industry and with the certainty of large profits when the properties are honestly and efficiently managed.

The chief feature in mining to-day is machinery and as America leads the world in this line, it is easy to understand how and why the mining industry has advanced in the past two decades until it occupies first rank not only in volumes of business, but as a safe and permanent investment. Twenty years ago mining was a crude affair and few properties produced on a large scale. Low-grade properties were looked upon as "white elephants" and many that are now rich producers were abandoned in those days as practically worthless. Since then, science and machinery have revolutionized the industry and the richest mines of to-day are the ones that produce comparatively low grade ore.

In the old days of "49" in California, a mine of $5 to $10 a ton ore would be cast aside as worthless; but to-day, these are the properties that are in demand for we know now that it is the low-grade that endures while the high-grade may "peter" out at any time. The big mines of Porcupine are a striking example of this. Hollinger, McIntyre and Dome, which are the big producers of Northern Ontario, are treating ore averaging around $8, $9 and $10 per ton, and are making large profits. All of these mines had plenty of spectacular ore, but the important thing is to have large tonnages of good grade milling ore. Mining operators of to-day are not looking for "showy" ore—although there is plenty of such to be found around in the various camps, but what they do insist upon before buying a property is that it has large bodies of ore that will run around $10 per ton.

So my advice to any man who has never made a mining investment before, is to put his money in the stock of a company which has a large amount of good milling ore, in preference to one which can show high assays, but has not a large tonnage.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Six" will appear in the issue of October 5th.

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NEWS OF THE BANKS AND BANKING

CONDITIONS OF BANK INSPECTION IN THE UNITED STATES AND HOW THE SYSTEM IS WORKING OUT

How Supervision is Divided Between the Comptroller of the Currency, the Federal Reserve Board and the Various State Banking Commissioners

ARTICLE I

In considering suggested changes in their system of banking, it is perhaps natural that Canada should turn to American banking experience for guidance; the history and economic development of Canada and the United States are sufficiently alike, at least superficially, to lead the would-be Canadian banking reformer to believe that what has worked in the United States can be at least adapted to Canadian conditions and problems.

This tendency to turn to the United States for guidance is a dangerous one unless the deep-lying differences between the underlying economic structures of the two countries are seen as clearly as the superficial similarities. Unless both are clearly visualized, no sound conclusion can be drawn as to the suitability of any piece of American financial machinery as an adjunct to the already existent Canadian machinery.

This is as true in regard to the recently-developed Canadian interest in the American system of banking supervision as it was, say, in the case of the slightly-older interest in the credit banks formed under the Agricultural Credits Act of 1922. Both have been devised by men completely imbued with American traditions in response to problems created by conditions peculiarly American; it will not do to say government supervision of banks, as practised in the United States, would work in Canada, any more than it would do to say that the adoption of the recently-formed credit banks would solve the problems of the Canadian farmer, unless one sees quite clearly the situation which faced those who devised both pieces of banking machinery, and makes due allowance for the differences between the American and Canadian point of view. Both government inspection and credit banks may have worked admirably in the United States, but this fact alone does not warrant the student of banking concluding that they would work as well in Canada, unless he can show that the underlying conditions which have permitted their success are sufficiently alike in both countries to justify the belief that what has proved useful in the United States would prove equally useful in Canada. It will not be necessary to show that the conditions are exactly alike; it will be sufficient, for Canadian purposes, if the similarity is near enough to lead one to believe that necessary adaptations will make it possible for the particular piece of machinery to be profitably adopted by Canada.

Government Inspection

If one attacks the study of the question of government bank inspection in the United States from this point of view, one inevitably is confronted first by the need for a concise description of the system of government bank inspection in the United States, and then by the equally imperative need for a careful consideration of the conditions under which this system has worked and is working. Armed with the facts produced by a study of these two phases of the government bank inspection question, one will then be in a fair position to consider the specific question: What can Canada learn from American experience with government bank inspection?

Government bank inspection in the United States, so far as the actual machinery is concerned, may be considered under three heads: (1) supervision by the Comptroller of the Currency, (2) supervision by the Federal Reserve Board, (3) supervision by the various state banking commissioners.

So far as supervision by the Comptroller of the Currency is concerned, this is conducted by the Comptroller as the chief federal official in charge of the administration of the banks chartered in all parts of the United States under the National Bank Act. This act defines the powers of the national banks most carefully and it is the chief purpose of the Comptroller and his assistants to see that the national banks do not exceed these powers. Should any member of the National Banking System commit any illegal act, the Comptroller is empowered to close it; if the periodical examinations to which he subjects its affairs reveal it to be in an insolvent condition he can order its doors closed and its business wound up.

Publicity a Factor

In his supervision of the affairs of the national banks, the Comptroller depends largely upon two instruments: publicity and a staff of national bank examiners. The first is provided by the National Bank Act, which makes it necessary for every national bank at least five times a year to publish a detailed statement of its affairs. These statements are not published on any fixed date or dates but are issued at irregular periods on the "call" of the Comptroller. Thanks to this practice, the public, which of course includes depositors, shareholders and general creditors alike, is able to keep informed regarding the condition of the banks' affairs.

In order that these statements may exactly reflect the condition of the national banks, the Comptroller's office maintains a corps of bank examiners. These men, all experienced bankers who have obtained their appointments only after passing a rigid examination, examine every national bank. There are no set dates for their visits for obviously, if this were the case, their inspections would be worse than useless. Like the branch inspectors of the Canadian chartered banks, their visits are made at irregular intervals and are usually timed to bring the examiner to any particular bank just before or just after legal business hours.

System of Examination

The examiner, when he enters the premises of a national bank, conducts himself in conformity with the provisions of the Federal Reserve Act as passed in 1914. This act provided for a complete reorganization of the examination division of the Comptroller's office. It provided for the establishment of an office for the chief examiner in Washington and the location of twelve branch bureaus in each of the twelve federal reserve districts. The jurisdiction of each of these divisional offices corresponds with the districts covered by the twelve federal reserve banks. Any particular examiner is thus working under the direct supervision of his chief district examiner, who is in turn working under the direction of the head bureau in Washington. The head bureau is, of course, subject to the control of the Comptroller of the Currency.

Thus any examiner, when he enters the office of a national bank, has behind him the whole financial machinery of the United States Government.

The first duty of a national bank examiner when he enters a bank is to verify the actual existence of the assets and liabilities of that particular bank as revealed by the bank's books. The first step he usually takes is to proceed to count the cash in the hands of the tellers after sealing the vaults to prevent tampering with the cash or securities held therein while he is engaged in counting the cash in the possession of the tellers. This is not a particularly difficult task, as very little cash is now held by the national banks. The second step is to verify the collection items. This is usually done by communicating with the banks on which they are drawn. Cheques payable through the local clearing house are verified by inserting in each batch of cheques a slip asking that the bank on which they are drawn verify them to the examiner. Much the same procedure verifies the item in the customary bank statement reading, "due from other banks." The amount of loans and discounts is checked up by picking the names of a few borrowers and asking them to verify to the examiner the extent of their liability to the bank.

Big Loans Noted

Should the examiner in the course of his inspection find that unusually large loans are being made to any particular person or corporation, these loans are noted on special sheets designed for the purpose. Loans need not be in excess of the legal limit fixed by the National Bank Act to merit this special attention on the part of the examiner; they need only exceed the limit which, in the examiner's opinion, that particular bank should lend to any person, corporation or industry. Similarly, the examiner is supposed to watch for loans to directors or officers of the bank and to report them if he finds evidence that such loans have been made.

The examiner also inspects the collateral lodged with the banks against loans, the extent of the margin, the marketability of the securities or other collateral and an analysis made of the loans. Loans are all classified as either "good," "slow," "doubtful" or "loss."

Balances standing to the credit of depositors are checked by comparing them with any passbooks that may be turned in for "writing up" or "balancing." The Canadian practice of sending out verification slips to each depositor is not followed.

After all assets and liabilities have been checked, a report of conditions is prepared by the examiner, compared with the bank's last statement, and any necessary adjustments brought to the attention of the board of directors. If losses are revealed, they must be written off; if the capital is impaired, the directors are called upon to make good the shortage.

After the examination is completed, a copy of the report sent by the examiner is sent to the board of directors by the Comptroller of Currency in order that any further irregularities may be corrected.

Officials of the various state governments conduct their examinations in much the same way. The thoroughness of the examination made by the state examiners varies widely and is governed in each case by the laws and economic development of the states concerned. In the case of New York, the examination conducted by the state examiners is very rigid and quite on a par with that of the national bank examiners, while in the case of some of the other states it is deplorably lax. Until a year or so ago, this was the case in Massachussetts, for instance.

In closing, however, it is necessary to mention the relation of the Federal Reserve Board and the Reserve System to the inspection machinery.

At the time the Federal Reserve Act was passed in 1914, a dual system of bank examinations existed: the national system and the state system. The act provided for a third system of inspection, as the federal reserve banks were empowered by the act to examine the affairs of any member bank and submit a report to the Federal Reserve Board. Thus state banks desiring to enter the Reserve System were faced by three sets of examiners—state, national and federal reserve. At first this deterred many of them from entering the system.

Since then, however, the federal reserve regulations have been changed. It is now permissible for the Federal Reserve Board to accept examinations made by states that in its opinion conduct efficient examinations. In case the state reports are not satisfactory, the Board is empowered to have special investigations made.

Comptroller of Currency

Finally, a word must be said about the powers of the Comptroller of the Currency and most of the state superintendents of banking when irregular practices have been discovered. It may be said that the powers of the public supervisors of banks, both national and state, in the United States, are limited to taking action against a bank when it has violated some provision of the law. A bank may, for instance, be headed for insolvency, in the opinion of the examiner, but he cannot close it or have it closed until its affairs are in such a condition that actual insolvency is actually indicated.

Next week: Government Bank Supervision in New York State.

Staff Gossip

Frank Adams has accepted a position with the Bank of Commerce, Bridewater. Lunenburg News, N.S.

* * *

Ed. O'Brien, of Wilkie, is relieving as teller accountant at the local branch of the Union Bank for a few days recently.—Macklin Times, Sask.

* * *

R. Baird, of the Bank of Nova Scotia staff, went to Kennetcock last week to relieve the manager there who is on his vacation.—Windsor Tribune, N.S.

* * *

M. McLean, of Vonda, Sask., arrived here recently to take a position on the staff of the Canadian Bank of Commerce.—Canora Advertiser, Sask.

* * *

Ivan Partridge has been offered, and accepted a position with the Bank of Montreal at their branch at Indian Head.—Sintaluta Times, Sask.

* * *

Mr. King, of Simcoe is relieving L. Blackwood, manager of the Bank of Commerce, while he is on his vacation. —Tillsonburg News, Ont.

* * *

G. S. Campbell, president of the Bank of Nova Scotia, J. A. McLeod, general manager and Chas. S. Smith, manager of the Ottawa office were in town for a short time on a tour of the spection of the branches of the Ottawa valley. Carleton Place Canadian, Ont.

* * *

Charles La Flemme, who has been manager of the Hochelaga Bank at La Fleche for about two years has been transferred to Ponteix. His wife and children will join him in a few days.

The family of M. Brodeur, the new manager at La Fleche, are in Montreal, but are expected soon and will live in the bank residence in the southwest part of town.—Regina Leader, Sask.

* * *

Another change in the local management of the Union Bank of Canada will be made Oct. 1.

T. H. Hammell, who took over this branch on the retirement of Mr. Shortt, is to go to Toronto. At the Queen City he will be in the office of the eastern superintendent at head office.

The new manager at Truro will be R. B. Towriss. Mr. Towriss was for some years manager of Charlottetown and for the last month or so has been relieving in Moncton.

Mr. Towriss and family will arrive in Truro this week and will be welcomed in the Hub of Nova Scotia.—Truro News, N.S.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Sept. 20 ..	2 7-16	2 13-32	3-64	1-32
Sept. 21 ..	2 13-32	2 3-8	1-64	par
Sept. 22 ..	2 13-32	2 3-8	par	par
Sept. 24 ..	2 3-8	2 5-16	1-64	par
Sept. 25 ..	2 5-16	2 3-16	1-32	1-64
Sept. 26 ..	2 3-16	2 5-32	1-64	1-64

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Sept. 20	4.54⅛	5.88½	4.48
Sept. 21	4.54⅜	5.98½	4.49
Sept. 22	4.55⅜	5.97½	4.51
Sept. 24	4.56 1-16	6.18½	4.61¼
Sept. 25	4.56 1-16	6.25¾	4.59
Sept. 26	4.55⅜	6.22½	4.59

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Sept 20, 1923	Change	%
Montreal . . .	$ 92,851,909—	$ 1,633,598	1.7
Toronto	91,251,860+	4,378,933	5.0
Hamilton	6,902,956+	1,001,316	16.9
Ottawa	6,705,097—	7,738	.1
Quebec	5,998,738+	151,553	2.5
Windsor	3,771,108+	553,946	17.2
London	3,717,751+	864,140	30.2
St. John	2,553,315+	56,405	2.2
Halifax	2,507,381—	86,082	3.3
Brantford	1,045,622—	903,069	46.3
Kingston	930,729+	191,536	25.9
Kitchener	909,909—	1,054	.1
Moncton	815,135—	374,455	31.4
Sherbrooke . . .	780,244+	25,990	3.4
Peterboro' . . .	778,040+	85,416	12.3
Total East . .	$221,519,794+	$ 4,303,239	1.9

WESTERN CITIES

	Sept 20, 1923	Change	%
Winnipeg	$ 39,618,349+	$17,194,888	30.2
Vancouver . . .	14,579,824+	937,015	6.8
Calgary	4,711,861—	148,439	3.0
Regina	3,894,108+	39,232	1.0
Edmonton	3,866,367—	238,035	5.8
Victoria	2,140,169+	74,738	3.6
Saskatoon . . .	1,772,647+	6,894	.3
Moose Jaw . . .	1,323,673+	83,765	6.7
Ft. William . . .	992,076+	220,750	28.6
Brandon	744,581+	22,726	3.1
Lethbridge . . .	673,838+	54,693	8.8
New Westminster	562,462+	30,913	5.8
Medicine Hat . .	361,480+	16,246	4.7
Prince Albert . .	334,137+	36,836	12.4
Total West . .	$ 75,575,572—	$16,057,554	17.5
Grand Total . . .	$297,095,366—	$11,754,315	3.8
Yr. to date . .	$11,246,768,796+	$92,498,835	.8

Conditions in Europe to-day are so depressing that by contrast, Canada is in a most favourable position, whether viewed from a financial, industrial or even agricultural standpoint.

You can assist in maintaining and improving the prosperity of our Country by investing in the new Refunding Loan.

In so doing you will profit also in obtaining an investment that is unsurpassed for security and income return.

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TORONTO, CANADA.

A Decline in Savings Deposits In the August Bank Statement

A drop of more than $10,000,000 in savings deposits is indicated in the bank statement for the month of August. The drop is not large in view of the conditions prevailing, but details as to changes between different banks will be awaited with considerable interest. Following are comparative figures of the main items of the statement:

ASSETS

	August, 1923	July, 1923	Change	August, 1922	Change
Specie	$ 65,217,219	$ 70,604,489—	$ 5,387,270	$ 75,277,993—	$10,060,774
Dom. Notes . .	155,777,628	157,477,174—	1,699,546	159,475,205—	3,697,577
Can. call . . .	97,123,000	95,701,912+	1,421,088	99,939,844—	2,816,844
Call Loans ab'd	203,913,891	191,591,179+	12,322,712	176,838,615+	27,075,276
Current	1,046,295,745	1,048,598,084—	2,302,339	1,102,446,692—	56,150,947
Loans ab'd . . .	152,473,660	152,834,074—	360,414	145,119,753+	7,353,907
Gold Reserve .	61,302,533	57,102,533+	4,200,000	52,402,533+	8,900,000
Total assets . .	$2,599,000,669	$2,571,461,677+	$27,538,992	$2,575,567,206+	$23,433,463

LIABILITIES

	August, 1923	July, 1923	Change	August, 1922	Change
Circulation . .	$ 169,980,554	$ 163,403,856+	$ 6,936,698	$ 158,086,569+	$11,893,985
Demand dep. . .	518,488,490	506,543,000+	11,945,490	475,415,834+	43,072,656
Savings	1,189,988,876	1,200,052,356—	10,063,480	1,164,069,400+	25,919,476
Tot'l dep. in Can.	1,708,477,366	1,706,595,356+	1,882,010	1,639,485,234+	68,992,132
Foreign dep. . .	304,560,865	296,845,947+	7,714,918	339,985,302—	35,424,437
Total liab. . . .	$2,330,889,465	$2,303,873,890+	$27,015,575	$2,299,566,261+	$31,323,204

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WAS RAILWAY DEPOSIT WINDOW-DRESSING?

An Added Argument for Investigation of the Home Bank By Ottawa

MONTREAL.—An alarming report regarding deposits by the Canadian National Railways in the Home Bank of Canada, published in the Detroit Free Press, has led to an official statement explaining that, while the National Railways deposited $1,000,000 of surplus funds in the bank on May 28, this was withdrawn on June 2. It is explained that the transaction was in the ordinary course of business and the $1,000,000 deposited was withdrawn when it came to our notice that R. P. Gough, one of the directors of the Canadian National, was also vice-president of the Home Bank. It is added that the railway uses practically all of the Canadian chartered banks.

The explanation is not regarded as altogether satisfactory in financial circles and there is more talk of "window-dressing" to keep the bank's position sound before the public.

This development should increase the government's direct interest in the matter and with the wide demands for a thorough inquiry into the bank's affairs seems likely to lead to action in that direction.

WINS WILKIE'S SCHOLARSHIP

The $100 prize for the best essay in competition No. 1 of the D. R. Wilkie Scholarship, conducted by the Canadian Bankers' Association, has been awarded to W. L. Aiken, assistant accountant of the Molsons Bank, Bay St., Toronto, The essay was entitled "Minor Profits, Their Character and Importance and Best Methods of Collections."

DOMINION of CANADA
5% Refunding Loan 1923

Careful and personal attention given to enquiries or orders. Telegraph or telephone at our expense.

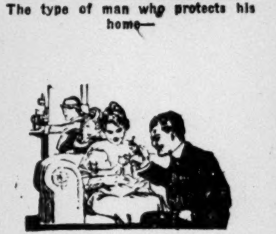
A. Angus MacDonald
& Company
Investment Securities
C.P.R. Bldg. Toronto
Adelaide 5268

In St. John, N.B., the Provincial Bank of Canada, has exchanged managers of two branches. W. L. Gray, formerly manager at Sackville, N.B., and lately manager of the New West End branch of St. John, has been transferred to the North End branch of St. John. A. C. Hastings, manager of the North End branch for some time, has been transferred to the West End.

If you only knew—

Your Future?

The type of man who protects his home—



Will, as the years pass by

Find increasing prosperity—

And in due time reap the rewards of success.

that your good health would continue, even for one day—
that twenty years from now you would be alive and well off—
that your present income would remain secure and always available for you or your family—
You might then plan your affairs accordingly. But to know these things is impossible.

The Only Way

You can, however, anticipate the years, capitalize your present health and earning power, and thus make certain of twenty years' progress now, by securing in good time our

Home Protection Policy
for $5,000

This plan is the basis of all life insurance.

Experience has proven that it offers maximum insurance at minimum cost.

The annual outlay is comparatively small, being only a moderate rate per cent. on the capital "estate" created, according to age. The average is about 3%.

Even these small payments may be reduced by dividends.

Cash values are guaranteed—a fund for emergencies.

Policy continues in force while any cash value remains, thus preventing lapse and loss of protection.

Many policyholders in the Canada Life have lived to draw large sums from this form of policy for their own personal use.

Remember:

A substantial policy on your life will do much towards carrying out your intentions—whether you live or die.

It may pay off the mortgage, supply food and clothing for your family—keep the children at school.

It may be all that is left of your life work—to keep you in comfort in your old age.

Ask For Particulars

Canada Life
Assurance Company
Home Office
TORONTO

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, please send me particulars of your Home Protection Policy.
Name ....
Address ....
Born..........day of..........18..

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THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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Great Britain, Ireland, and Colonies, having minimum postal rates .... £1 1s. 6d.
France and other Countries .... £1 7s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 126 Bleury St., F. S. Chalmers; WINNIPEG, 610 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C.L Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard, Phone Dearborn 8694; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E. C., E J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, SEPTEMBER 28, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

IN THE PUBLIC INTEREST

SOME of the most successful and far-seeing of the great public service corporations have in recent years adopted the policy of inducing their customers to become shareholders. The results have been most satisfactory. Not only has there been developed a new source of capital supply, but of greater importance has been the interest and loyalty of the customers, aroused by a greater appreciation of the company's problems and its efforts to give service in the face of trying conditions and adverse propaganda.

What applies to the financing of public service corporations applies in a larger way to national financing. The more people who are holders of government securities the greater will be the interest in public affairs. The people of Nova Scotia and the people of British Columbia may be far from seeing eye to eye on certain issues but if they share in a common investment in Canadian bonds they are not likely to disregard the national interest. Further, taxpayers who have a financial stake in the country will have an added interest in the national budget and in using their influence to secure business-like governmental administration of public affairs.

The wartime government bond campaign resulted in thousands of Canadian citizens becoming holders of federal securities. As a result there has been a much greater public interest in national financial matters than was knows in previous years. But the national financial problems have not passed with the war. There is to-day a greater need than ever for retrenchment at Ottawa. That retrenchment will only come through pressure of public opinion exercised in a political way. It is highly desirable, therefore, that the present campaign to place Canadian government bonds in the hands of the Canadian public should result in an even wider distribution than was the case with the Victory loan issues.

THAT ALL CANADA MAY BENEFIT

A SPECIAL twelve page edition of the Vancouver Sun has been issued through the co-operation of a number of public bodies and private companies in British Columbia and Alberta urging the claim that the natural flow of trade back and forth between the interior and Pacific tide-water shall no longer be prevented by discriminating freight rates. The rates objected to are described as being in force for the purpose of causing grain to take the long haul to the Atlantic. This, it is argued, is an economic waste, injurious to grain growing, and damaging to the general prosperity of the Dominion.

The new factor in the case for the Pacific route is the Panama Canal. The inference to be drawn from the Vancouver argument is that the economic advantage of this new water route is being lost to Canada because the transportation interests—public and private—desire to move freight via the longer—and more expensive—rail haul.

Vancouver puts up a good case—but it is not the whole case. It should not be forgotten that while grain rates to the coast have been maintained, British Columbia has had important concessions in the movement of timber and other commodities from the coast inland. Nor should Vancouver expect the railroads to haul the wheat from the prairies over the mountains at less than cost merely to open up a route shorter in actual mileage.

The situation as THE FINANCIAL POST sees it is this: That the wheat of Western Canada, or the natural or manufactured products of any other part of the country, must be moved to the final consumer by the most economical routes and marketed by the most efficient methods. Canada's hope is in development. It will not profit the nation in the long run to ignore the advantages of the Panama or any other new route in order to bring business to Canadian railroads—public or private. The growers of grain on the prairies are under many handicaps and the greatest of these is transportation. It would be a short-sighted policy, indeed, to close our eyes to more economical methods of getting this Western grain—or any other Canadian product—to its natural market while competing nations profit.

The case for Vancouver should be the subject of inquiry. It should not be difficult to decide it on its merits.

EUROPE DEVELOPING WAY OF HANDLING BOLSHEVISTS

THE establishment of Fascisti government in Italy and a military directorate in Spain are hopeful signs in these days of unrest. They are political upheavals intended to stabilize a shaken order of government, and seem to be succeeding in this endeavor. Citizens of the best type are taking strong and even extreme measures to stamp out communistic revolutionaries before they succeed in undermining the fabric of government.

In the Russian revolution, a determined minority imposed its will on the majority and used terrorist methods to cow opposition. The Italian and Spanish experiments seem to show that the solid citizen is not now willing to lie down quietly while all he holds dear is thrown into the melting pot, and this is practical evidence that the system we have has in it something worth fighting for—an effective answer to the jeremiads of communist extremists.

It is not generally known here that parliamentary government in Spain had become weak and corrupt to the last degree; communists of many brands, with Russians leading, did pretty much as they pleased, and the past few years show a record of assassinations of successful business and public men by these aliens or by their Spanish dupes which helped to arouse the best elements in the country to the danger. The jailing of those Barcelona "Reds" who have not already fled to the frontier, is testimony to the character of the coup d'etat headed by General Primo Rivera.

IMPERIAL UNITY A WORLD FACTOR

SIR EDWARD GRIGG, speaking on the Imperial Conference and foreign policy, said that British Empire unity surprised the world. This was admitted by Ludendorff in an interview with Sir Ian Hamilton which was quoted recently—

"Australasia and Canada were factors which were appreciated too late by the German Great General Staff."

Premier Mackenzie King enters next week on a history-making job involving the future of our Empire as a whole and Canada's trade in particular.

SIR ADAM SPEAKS

SINCE when did Sir Adam Beck get the ultimate authority to say who shall and who shall not take water from international waterways? We had an idea that the Dominion government had some say in this matter.

And besides, Sir Adam's blunt declaration that he will not allow Chicago to increase the amount of water taken from the Great Lakes would be much more effective if it were not the case that he is himself seeking to increase the supply of water to be taken from the same source in order to operate the Chippawa and other existing power plants of the Ontario Hydro. The millions spent on Chippawa cannot be justified under the agreements regarding water diversion now existing.

Canada's international relations with the United States will not be improved by Beck diplomacy.

MISREPRESENTING THE STATES TO CANADA

SIR EDWARD GRIGG, in an excellent address on the Imperial Conference and Foreign Policy, threw the onus of the present world situation on the United States. This is part of the propaganda that has been persistently carried on by Lloyd George to explain his own failures and particularly in the Near East. His inspired press has persistently spread this theory until many Canadians think the United States broke faith with the Allies. Our own view, based on our information received during and since the Peace Conference, has always been in sympathy with the present United States view. We believe that Canadians with the facts before them would take the same stand as the States.

President Wilson and the small clique with which he was associated had no moral or legal right to commit the United States to great European enterprises—enterprises that were almost wholly in the interest of certain European governments, groups and promoters. Moreover, Lloyd George and the other Allies at the Peace Conference were informed that the president, under his country's laws, had no power to bind the United States and they were told on the authority of great U.S. leaders who had a right to speak with authority that the proposed arrangements involving the United States in possible war in the Near East or with Germany were distinctly opposed to the traditional and present policy of the people of the United States. The subsequent overwhelming defeat of President Wilson and his friends was proof that he misrepresented the United States.

Sir Edward is the second of Lloyd George's secretaries who has been carrying on aggressive propaganda here and in the States, tending to create erroneous impressions.

Canada is deeply interested in this question from two angles: First, because of our close and intricate relations with the United States, we should not misunderstand them; we should not be led astray by intentional misrepresentations. And, second, we are practically in the same position on European questions as is the United States. We also refused to be bound by the Peace Conference decisions. The great mass of Canadians are strongly imperialistic. There are many of us who would fight to the last ditch to continue British connections and develop the Empire but we would never agree to permit European cliques to commit us to foreign wars as Lloyd George would have committed us in the Near East a year ago. The refusal of Premier King and his Government to join in the Near East to save Lloyd George's political life and selfish schemes of his friends, was strongly supported by the Imperialists in Canada. On the other hand, Imperialists in Canada who strongly supported Mackenzie King a year ago hope they will be able to endorse his action —or lack of action, which most of us fear—at the coming Imperial Conference. His speeches, like his government's financial policy, are creating many misgivings.

EDITORIAL NOTES

THE CHIEF danger of the "Whisper of Death" campaign, is that it is attracting considerable attention outside of Canada where people do not know any better than to believe that Canada is going to the demnition bow-wows.

* * * *

TAXPAYERS generally will agree with the Manitoba Free Press that "while private business men have been using every effort to curtail expenditure and secure the utmost efficiency in organization," the Civil Service Commission has set a poor example in extending the four o'clock closing of government offices in Ottawa throughout September.

* * * *

"IN ORDER TO increase business to-day you have to hustle for it; business is here but it needs going after and attention when you get it," declares R. B. Colwell, one of the best known business men in the Maritime provinces. This is the experience of energetic business men throughout the country; their experience again reminds us that providence did not help the lazy frog.

* * * *

A LOSS OF fifty thousand dollars on the housing scheme at Guelph is predicted by a business man of that city. Just another example of the unsoundness of public loans to people who cannot arrange finance with the banks or mortgage companies. What chance has a municipality or government to get back money from borrowers whose credit is not good with private institutions whose business is to make loans?

* * * *

THERE IS a new agitation for government banks in British Columbia to which impetus has no doubt been given by the recent developments with regard to the chartered banks. The Home Bank affair and the revelations regarding the Standard, Union, Hamilton and Merchants are splendid ammunition ready to the hands of certain enterprising politicians who are prepared to capitalize public discontent and start a campaign for something different. This is a dangerous phase of the present situation affecting the banks.

Balancing the Budget is Only First Milestone on the Road

We Have Yet to Reach a Reduction in Taxation and a Cut in the National Debt—Canada's War Financing Compared With Australia's Shows up Very Unfavorably

From Our Own Correspondent

MONTREAL.—To the credit of Hon. W. L. M. King it should be admitted that his defence of the financial administration of the country was one of the most spirited efforts of his career as premier. And in his address, delivered at a dinner in Quebec before sailing for the Imperial Conference, he made one or two reassuring statements concerning the revenues and expenditures of the Dominion. To briefly repeat them:

Canada's revenue and expenditure will balance this year for the first time since 1913.

Expenditure on items arising out of the war is being steadily reduced.

The National Railways show a net improvement of $5,000,000 for the current year, with the most productive part of the year's business to come.

Digging Deeper Into Figures

Of course, these statements require more thorough analysis than the premier gave them in his necessarily short address. This further analysis takes off much of the gloss of satisfying optimism.

The national books will balance, said the premier, and in making the announcement he left the impression that this was a goal of final achievement. He did not actually say so, but no doubt many people will read in the statement that nothing more could be asked after the revenues are sufficient to meet all expenditures without adding anything further to the appalling debt the taxpayers are now supporting. Balancing the books a la Mr. King is achieved by having sufficient revenue to meet all the ordinary and special expenditures of the Dominion Government and to meet the railway deficits. It might be put another way. This year the deficits on the railways will not exceed the ordinary surplus of the country. Last year the country had a surplus of around $80,000,000 on ordinary account and in previous years had surpluses of many millions of dollars. Under normal circumstances this money might have gone to reduce the national debt, or the fact of having such a large surplus would have induced reduction in taxation. But neither of these ends could be accomplished because of that other awful sinkhole, and so the year ended without the public feeling any benefit from $80,000,000 surplus. Rather the net debt increased by $49,000,000. Mr. King figures that with more complete figures available the net deficit on all accounts was in reality only $31,000,000. And counting on a $33,000,000 improvement in the spread between revenue and expenditures this year he looks for the fiscal period to close with no addition to the net debt: in short, an even break for the year.

Mostly From Higher Taxes

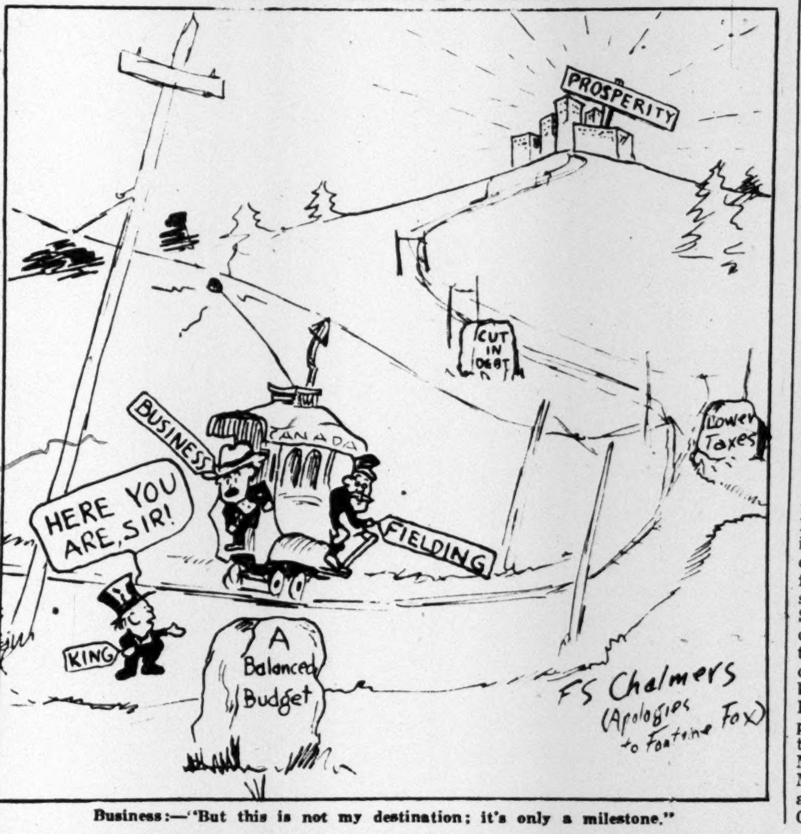
Part of this record is being achieved by reduced expenditures, but of the improvement of $14,000,000 in the national finances for the first five months of the year, $11,000,000 was due to increased taxes and only $3,000,000 to reduced expenditures. Increased revenue comes from an increase in the tax burden of the country, whether in income and business taxes, customs dues, internal revenue taxes or some other form of impost, direct or indirect. It is not 100 per cent. satisfactory to contemplate an even break in the budget and to feel that it is due about 75 per cent. to increased tax burdens and about 25 per cent. to economy in spending.

No, an even break in the national finances is not a goal. It is merely Milestone Number One. There are a goodly number of other milestones to be passed.

One is the attainment of the stage when it can be announced that the debt is actually being reduced rather

(Continued on page 15)

THE TOONERVILLE TROLLEY



Business:—"But this is not my destination; it's only a milestone."

PERSONALS

J. GRAEME WATSON, who has just been elected a member of the Toronto Stock Exchange, is a member of the firm of Watson, Wallace & Co., bond dealers.

JOHN MASSEY, who died this week in Toronto, aged 83, was for many years a leading figure in the mortgage loan business of Toronto. He was general manager of the Canada Permanent Mortgage Corpn., assuming that post when the concern came into being as a result of the amalgamation of a number of smaller companies.

MAJOR GEORGE WASHINGTON STEPHENS, who has been named to fill the place on the Saar Valley Commission, made vacant by the resignation of Mr. Waugh, Winnipeg, has quite a record as a public official. He was perhaps best known as Chairman of Montreal Harbor Commission. He has served in the Quebec Legislature and also on the Montreal School Board.

COL. A. LORNE HAMILTON, C.M.G., who was recently chosen as new president of the Canadian Chamber of Commerce of London, Eng., is assistant to the managing director, and secretary of the British Empire Steel Products Co., the European representative of the British Empire Steel Corporation. A native of Melbourne, Que., he went overseas in 1914 with the 12th Battalion (First Contingent). He was for some time Assistant Adjutant-General Canadian Section, 3rd Echelon, G.H.Q., and afterwards Director of Records, O.M.F.C., at Argyle House, London.

HEDLEY C. WRIGHT, who has been appointed manager for Canada of the Zurich General Accident & Liability Insurance Company, Limited, of Zurich, Switzerland, has had a wide experience in the casualty insurance field. He was formerly associated with the London Guarantee and Accident Co. in London, Eng., Halifax, Calgary and Toronto for a number of years. Following this, he acted as assistant manager of the General Accident Asurance Company. Nearly four years ago he returned to the London Guarantee as assistant manager in Canada, which position he is now leaving.

A. W. SCOTT, of Listowel, received the congratulations of many friends last week on attaining his 88th year while yet retaining good health and a capacity for conducting business. A resident of Listowel for over 60 years, Mr. Scott has taken a prominent place in the financial, commercial and municipal activities of the town. In 1862 he formed the firm of Scott and Holstead, started a general store and in 1872 Mr. Scott went into private banking and developed a business of such substantial quality that it held the confidence of the public until most other private banks in Ontario had ceased to exist. It was only three years ago that the private bank of J. W. Scott & Son was taken over by the Bank of Montreal. Mr. Scott is president of the British Mortgage Loan Company of Stratford, and a director of the Sterling Trust Corporation of Toronto.

A. E. AMES & CO.
Investment Securities
Established 1889

THREE GREAT MARKETS

Canada's Finance Ministers have from time to time secured their Loans in GREAT BRITAIN—our oldest market, in the UNITED STATES—now a large creditor, and in CANADA.

When the Rt. Hon. W. S. Fielding, the present Finance Minister, had completed his previous term of office at the same post in 1911, neither he nor any of his predecessors had placed any bonds in Canada. Now Dominion Government Bonds are held about as follows:

In Great Britain . . . $336,001,469
In United States . . . $210,933,000
In Canada $1,935,931,576

Pending maturity of other Bond issues, Canada's Finance Ministers will make refunding loans (such as the present issue) in whichever market will, just prior to such maturities, be in the best position to absorb them. We are now in the proud position that, for this great loan

Canada is the Best Market

of any country in the world. This means that Canada is prosperous and well able to finance her own needs. An abundant success for this loan will be a fine advertisement for Canada and a logical stimulus throughout our whole business fabric.

We shall be glad to serve you in all matters relating to this loan free of charge to you.

A. E. Ames & Co.

UNION BANK BLDG.,
MONTREAL VICTORIA TORONTO NEW YORK CHICAGO

Toronto, September 25th, 1923.

The new Canadian Government Loan affords a real opportunity to investors.

The Bonds run for a longer term than any other Canadian Government domestic issue—a full twenty years.

Five year Bonds are also available.

The price is very favorable.

The terms for converting from the issue due 1st November, 1923, are liberal and the method very simple.

We invite you to use the facilities of our office and organization, however small or large your requirements may be.

Telephone Main 4280, or call at 36 King Street West, Toronto.

Wood Gundy & Co

Telegrams and
long distance calls
at our expense.

How we help you buy the new Dominion Loan

INVESTORS are making larger subscriptions by using our Periodical Payment Plan.

We purchase the bonds for you for an initial payment of $10 per $100 bond and subsequent

Monthly Payments of $10
or more if you wish, per $100 bond.

After figuring your interest charges and crediting you with all bond interest due, your net income during period of payment is more than similar payments would earn in a savings bank.

Costs No More.

There is no extra charge for the service. You pay the issue price.

Telegraph or telephone to-day at our expense. We will provide full official particulars and look after all the details for you.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

RIORDON

A. R., Halifax.—I own five shares Riordon 8% preferred and five shares common, bought at 100 and 57¾. What would you advise me to do about this reorganization?

On the basis of its new capitalization backed by the strong board of directors, who have assumed control, the prospects of the Riordon Co. are good. The securities offer a good type of speculative investment, sounder in most ways than previous offers of Riordon securities, and if you are in a position to assume the element of risk that is present in all such industrial investments, you are justified in purchasing your allotment. But view the investment exactly as you would any other investment and not as an attempt to retrieve a portion of your former losses.

NIGHT HAWK PENINSULA

J. P. Ottawa.—I will appreciate a report from you on Night Hawk Peninsular Mines.

Night Hawk Peninsula is highly regarded. The preparation of the mill for a start on operations is being rushed and it is expected that production will be under way by Oct. 15. Some excellent ore bodies carrying good values and quite extensive in width and length have been opened up. The proposition is regarded as one of merit.

LA ROSE

G. R., Orillia.—I would be glad to get any information you feel inclined to give in regard La Rose.

Favorable results are being encountered on La Rose. There is nothing spectacular about the progress being made, but it is steady. During August, 1,800 tons of good average milling ore was sent to the Mining Corporation for treatment. This came mostly from the Violet operation. The Princess provided a fair tonnage and a small amount came from the University. The company is said to be making a fair profit.

WAYAGAMACK

Reader, Cornwall.—I bought some Wayagamack Pulp and Paper about a year ago at $65 per share. It has paid no dividend for about two years and a half. The stock to-day is about $39 per share. What is the matter?

Wayagamack is making a slow but definite recovery from the depressed condition it got into as the result of the readjustments in the markets for products some two or three years ago.

The action of the stock has naturally been disappointing to shareholders, but we feel there is no cause for concern at the present time with regard to Wayagamack. The company is operating nearer to capacity than it has for some time past, and is marketing its product without difficulty. The one weak point in its position is the fact that Canadian wrapping papers are shut out of the American markets by a high tariff, but this has been met by a vigorous campaign of development in other foreign markets.

COSGRAVE BREWERY

A. B., Montreal—As a holder of Cosgrave Export Brewery stock, would you let me know the prospects of earnings. I understand they are going at capacity and earning 25 to 30 per cent. and paying 6 per cent. The statement is made also, that a referendum will be taken in Ontario as to whether restrictions on beer will be lifted.

Cosgrave Brewery is enjoying a very good year, earnings are on the increase. As we recently pointed out, there is a possibility that the dividend rate may be increased from six per cent. The stock is considered a good speculation, but the fact should be kept in mind that the issue being unlisted does not enjoy a wide market. We know nothing of a referendum in regard to lifting the restrictions on beer.

MORTGAGE DISCOUNT

J. L. S., Ontario—We have been offered some more Mortgage Discount and Finance stock. What are its prospects for the future and would you advise the purchase of any more shares?

The price of $10 for the preferred with a bonus of one share of the common seems to be the prevailing market price in unlisted security circles in which the stock is being traded in. The company is well managed and it made a good profit last year. Business this year shows quite a substantial improvement and a good year's earnings are anticipated. The preferred is on an 8 per cent. basis and the dividends are paid promptly. This is a second mortgage company, and of course the position of their security is always subject to adjustment in a declining real estate market. It is a speculative investment.

DOMINION ALLOY STEEL

T. B., Ottawa—Would like your opinion as to what chances the preference and common stock of the new Dominion Alloy Steel Corporation of Sarnia, which is now being floated, have of succeeding as investments.

Dominion Alloy Steel is quite speculative. The stock is being sold on the unit basis, ten shares of 8% cumulative convertible preferred and four shares of common for $120. The par value of the two issues is $10 and the company receives $100 from the sale of each unit. Capitalization is $7,500,000 preferred and a like amount of common. There is in all $6,000,000 of each issue to be sold. The heads of the company claim they will have an excellent market in Canada for their product which they will be able to dispose of at a good profit. A large site for the plant has been secured at Sarnia, where water transportation is available.

HATTIE

Reader, Perth—I would appreciate very much if you would give me all the information you can on the Hattie Gold Mine. Do you consider this stock a good buy at the present time?

Perhaps you have read the details of the recent court dispute over the Hattie Gold mine stock. While one phase of the matter was settled, another has arisen which is bound to keep the name of Hattie in the courts for a while at least.

As to the property, one must regard it as a prospect only. It has certain geological features which warrant the expenditure of considerable money is prospecting underground. The area in which the property is located is an unproven one. At the present price the stock has possibilities and you must decide whether or not this has been offset by the rather unfavorable position in which the concern was placed by the recent publicity over the stock selling dispute and consequent court actions.

HOLLINGER

H. W., New Brunswick—I am advised to buy Hollinger at $11.50 to $11.75. I am a married man, 30 years old doing a small country store business in a fishing community where business is up and down with fishing. I have $3,000 in Victory bonds, $500 in a mortgage, $500 in other investments, $5,000 in my business. Am willing to take a chance on dividends but would not want to risk principal. Would you advise buying a small block of Hollinger? Is the stock dividend in several classes—preferred 1st and 2nd common, etc.? What is its par value.

For a man of your age you seem to have done very well in piling up an estate. We believe that you could afford to speculate a little. You should do so very carefully. Your choice of Hollinger is first rate. This mine has but one kind of stock, par value $5 and paying 13% dividend. The present price is around $11.50. There is every indication that the time is not far distant when Hollinger will make a material increase in its dividend, and this should result in a material advance in the price of the shares.

BROOKS STEAM MOTORS

Reader, Fort William—Will you kindly give me your opinion on Brooks Steam Motors, as an investment?

The Brook's Steam Motors, Ltd., has been organized to market in Canada a steam car. The steam car has met with success on the other side of the Atlantic, but it has not proven popular in America. Models which have been manufactured of the Brooks car indicate a high-class machine, but whether these cars could be manufactured at a price to create popular demand and show a reasonable profit is another question, and one to which no satisfactory answer can be given at this stage. Then, too, it must be taken into consideration that the company is entering a very highly developed and keenly competitive industrial field which, as the result of consolidations and mergers, is now commanded by great corporations to a very large degree. These corporations have national selling machines and are backed by big capital. Under all the circumstances the project of a new company entering the field with this type of car would appear at this stage to be a highly speculative one.

MACKAY OR C.P.R.

W. J. McK.—I would like to have your opinion of Mackay. Do you consider it as good as C.P.R.?

The Mackay Companies own the entire $25,000,000 capital stock of the Commercial Cable Co., and the whole or a portion of the capital stocks of a number of telegraph and cable companies in the United States, Canada and Europe, including the hand systems known as the Postal Telegraph Cable Co. The combined Postal-Commercial land and ocean system is the largest in the world. The authorized capital is $50,000,000 common and $50,000,000 4% cumulative preferred; outstanding $41,380,400 common and $50,000,000 preferred. The company's report merely indicates the total income from investments with operating expenses. The report for the eleven months ending December 31, 1922, shows income of $8,623,181, and operating expenses of $164,272. Income included $4,138,040 received from the accumulated reserves of subsidiary companies. The distribution in dividends was $8,439,284 which included $10 per common share in addition to the regular dividend which in 1922 were at the rate of 6% and were on the first of this year raised to 7% per annum. Mackay common is now selling at 112 and has been as high at 124 this year. The high in 1922 was 117 and in 1921 72. The preferred is selling around 67, the high and low last year 70 and 57 respectively.

Canadian Pacific Railway is now selling at 145, having been as high as 162¼ this year, while the high and low were 151¼ and 126 respectively last year. The dividend is 10% on the par value and has been so for some years.

At 145 C.P.R. pays about 6.9% and at 112 Mackay pays 6.25%. The higher price for Mackay is no doubt based on hopes of further distributions such as occurred at the first of this year. Whether such are justified would be extremely difficult to say owing to the meagre information given in the company's report.

SOME INDUSTRIAL BONDS

Banker, Fort William—Will you kindly favor us with your opinion of the following securities: $1,000 Calgary Power 5's 1940, price 77, yield 7.45; $5,000 Wm. Davies, at 94, yield 7.05; $5,000 Nova Scotia Steel, 6% debentures at 89, yield 6.75; 25 shares American Telegraph & Cable stock, 5% at 65, yield 7.80; Maple Leaf 6½ Aug. 1, 1943, at 101, yield 6.42?

The principal and interest in the case of the first three companies appears to be fairly well secured, but they cannot be classed as first grade industrials, since the market is very limited. Prevailing prices on the Calgary Powers are 73 to 75. The Wm. Davies bonds do not stand as high as formerly, owing to the complicated conditions in the packing industry. The price of 94 is reasonable. The Nova Scotia Steel Debentures stand a little higher than the others. The market is around 85.

The American Telegraph and Cable stock is common. Its cables are under lease to the Western Union until 1932 at a rental amounting to 5 per cent. on the $14,000,000 stock outstanding. Whether the lease will be renewed we do not know. It looks like a reasonable speculation for a business man.

The Maple Leaf bonds are well regarded. They are well secured. While the company is suffering along with others in the adverse milling conditions at present, it is well managed. The market on these bonds should be fairly wide.

UNION BANK

Reader, Kemptville—Would you advise getting rid of Union Bank stock, or is there any danger of the bank failing? I hold ten shares bought at 137. It is now selling as low as 107.

The reorganization of the finances of the Union Bank was supervised by officials of the Bank of Montreal, and though not official, it was accepted that the Canadian Bankers' Association stood behind the valuation placed on the bank's assets at that time. Since then, however, as before, the stock has continued to decline. There are several factors to be taken into consideration. There is no doubt that as the result of the readjustment of reserves the bank was placed in a sound and healthy position. But having disposed of the losses of the past it has still to face the problems of the future, and the stockholder or prospective investor must decide for himself the chances for the bank to continue to earn profits which will sustain the dividend. Generally speaking, we look for better conditions for the banks and on the whole we would consider that because of the recent developments prices of bank stocks are depressed below their actual value at the moment. However, there is at present an uncertain feeling with regard to the banks on behalf of the public. How far this will tend to aid the big banks at the expense of the smaller institutions is something which you must take into consideration. In any event recent developments with regard to a number of the banks, and their reaction on investment opinion, have created a more speculative atmosphere as regards bank stocks.

NIGHT HAWK PENINSULA

W. C. M., Ont.—Please give me your opinion of Night Hawk Peninsula mine.

Night Hawk Peninsula Mine is located some 15 miles east of the Porcupine producing area. It is a well-financed and well-managed proposition, and developments have revealed large bodies of good commercial ore. The old Schumacher mill, 200 tons, was purchased and is now being erected. It is expected that production will start about Oct. 15. The stock was sold at $1. It is not as yet listed.

COOLIDGE'S LIFE MOTTO

Above the fireplace in the Coolidge home in Northampton is a framed verse which the president has adopted as his life motto. The verse, which might have come out of a Mother Goose book of jingles, is this:

"A wise old owl lived in an oak;
The more he saw the less he spoke.
The less he spoke the more he heard;
Why can't we be like that old bird?"

A Book About Riordon

MOST investors know that Riordon Company, Limited, is the largest sulphite pulp producer in Canada.

But only a few of them know how extensive and valuable the Company's properties are, how important it is to Canada to have these properties operated successfully and the large future profits to be realized by their further development.

In order that present shareholders, as well as the investing public generally, may be informed upon the affairs of the Riordon Company, its product, properties and potentialities, we have published a booklet setting out this information.

By map, by chart, by many illustrations and descriptive matter, the story of the Riordon Company is told in this booklet. One cannot read it without clearly visualizing the Company's great future and realizing the desirability of participating in the development of this enterprise.

A copy of the booklet will be mailed to interested inquirers.

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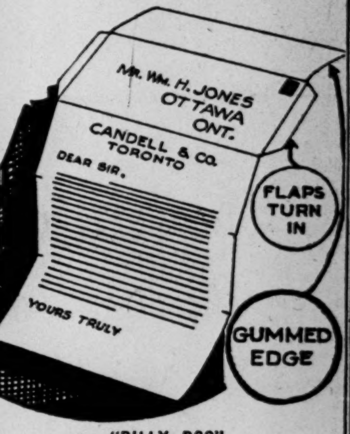

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NEWS AND VIEWS ABOUT BONDS

DOMINION ISSUE DOMINATES BOND MARKET OF WEEK

Ontario, Hamilton and Oakville Reject Tenders as Unsatisfactory

The ready response of both institutional buyers and private investors to the offering of the Dominion loan has been the dominating factor of the week in the Canadian bond market, and has injected a new spirit of optimism into the financial situation of the country. The original amount of $50,000,000 was readily oversubscribed and the dealers were authorized to continue accepting subscriptions up to the entire $172,000,000 required by the Department of Finance.

As was expected, the sale of the loan superseded all other bond transactions. The attention of dealers is so focused on it that they are not anxious to secure other issues to sell in competition. As a result, the province of Ontario, the city of Hamilton, and the town of Oakville refused all tenders on their issues which came up during the week. Ontario had called for alternative tenders on $15,000,000 5 per cent., 25-year bonds, payable in Canada or New York, before the announcement of the Dominion loan was made. Many expected that the call for tenders would be cancelled, but the provincial treasurer, Hon. W. H. Price, decided to allow the call to stand. There were three tenders, two for bonds payable in New York, and one for Canadian bonds. At the highest price offered, the province would have paid 5.38 per cent. for its money. This was the rate paid a week previous by the city of Toronto for $6,713,000. It was not considered satisfactory and all bids were rejected. The circumstance has caused some comment in view of the announced intention of appointing a financial comptroller for the province. It is pointed out that Toronto, on the advice of its treasurer, who is an official with wide financial experience, called for tenders on short notice and succeeded in securing a satisfactory price.

The unsatisfactory bids on the Ontario, Hamilton and Oakville bonds should not be interpreted as signs of weakness in the market, but rather as due to the magnitude of the Dominion financing and the attention it requires. In fact, dealers are optimistic about the market. They believe the air is being cleared and the way paved for an active market at steady prices. It is evident that the Western crop will add greatly to the funds open for investment in the next six months.

Trading in New York has continued dull and prices irregular. With the improvement in the European situation, foreign bonds have been firm, but evidence of depression in the oil industry depressed the stock market and this was reflected in railway and industrial bonds especially. In spite of the lower bond prices in the United States, bond men in New York expected that part of the Dominion loan at least would be offered there, and many were surprised at the success of Canadian houses in handling it.

The Ontario issues tendered for were $15,000,000 5 per cent., 25-year bonds payable in Canada only and a similar amount payable in Canada and the United States, the province to accept the tenders for either or both issues. The tenders submitted were all rejected. They were:

	Can. only	Can. & U.S.
A. E. Ames & Co.; Dominion Securities Corp.; Wood, Gundy & Co.; A. Jarvis & Co.; McLeod, Young, Weir & Co.; National City Co.; Harris, Forbes & Co.	95.93	
National City Co.; Dillon Read & Co.; Harris Forbes & Co.; Dominion Securities Corp.; Guaranty Co.		92.189
R. A. Daly & Co; Wood, Gundy & Co.; Lee, Higginson & Co.; E. H. Rollins & Sons; Bankers' Trust Co.; Brown Bros; Halsey, Stewart & Co.; Warnes & Co.; Clark, Dodge & Co.; W. B. Compton & Co.		91.55

The city of Hamilton rejected all bids on $972,831 5 per cent. bonds, the highest tender being on a 5.40 per cent. basis. The bids were:

Can. Bank of Commerce	$961,496.12
Gairdner, Clark & Co., McLeod, Young, Weir & Co.	957,518.64
R. C. Matthews & Co., R. A. Daly & Co.	955,962.11
Dyment, Anderson & Co.; Bell, Gouinlock & Co.	951,428.72
Macneill, Graham & Co., W. A. Mackenzie & Co.; Municipal Bankers Corp.; Nesbitt, Thomson & Co.; C. H. Burgess & Co.	951,214.69

An issue of township of Etobicoke bonds, amounting to $40,000, bearing interest at 5½ per cent., and repayable in 20 instalments, was awarded to Matthews & Co. At the purchase price of 100.286 the municipality is borrowing at a cost of 5.45 per cent. The bids were:

Matthews, & Co.	100.286
C. H. Burgess & Co.	100.17
Gairdner, Clarke & Co.	100.086
Dyment, Anderson & Co.	99.84
Harris, Forbes & Co.	99.39
Macneill, Graham & Co.	99.47
W. C. Brent & Co.	99.347

An issue of $25,000 city of Fredericton, 5 per cent. serial bonds, extending to 25 years, was sold to the Eastern Securities Company, Ltd., at 97.03. The bids received were:

Eastern Securities Co.	97.03
Thomas, Armstrong & Bell	96.45
Johnston & Ward	96.17
J. M. Robinson & Son	94.93

Well Known Business Men Establish New Bond Firm

An announcement is made of the establishment of a new bond house in Toronto to be known as Doherty Easson & Company. Its principals, the Hon. Manning W. Doherty and Charles H. Easson, are well-known in Toronto and throughout Canada. Mr. Doherty has had a wide experience in business in Canada and was Minister of Agriculture in the Drury Government in Ontario. Mr. Easson was formerly general manager of the Standard Bank of Canada. They are well informed on financial matters and the new firm is expected to develop a substantial business in Canada.

Offices have been established in the Victoria Building, 34 King Street East, Toronto, and it is the purpose of the company to deal exclusively in government and municipal bonds and high-class industrial securities.

MANY SUBSCRIPTIONS TO EXCEED $1,000,000

Banks and Insurance Companies Respond to Government Call For Money

The largest subscription for the new Dominion loan received to date is that of the Sun Life Assurance Company of Montreal for $10,000,000. That the large American insurance companies operating in Canada look favorably on the loan is indicated by the fact that three large purchases of the bonds have already been made by them. The Metropolitan Life subscribed for $5,000,000 and the Prudential Life for $2,500,000. It is also understood that the Travelers Life of Hartford will take $2,500,000 of the bonds.

Some large subscriptions have come in from the banks. That of the Bank of Montreal was for $5,000,000, the Bank of Nova Scotia $2,500,000 and the Montreal City and District Savings Bank $1,375,000. The Eastern Trust Company is securing $1,000,000 of the bonds. The T. Eaton Company has purchased $1,000,000 and the Dominion Textile Company a similar amount.

No doubt many other large subscriptions are held by dealers and have not yet been reported to the syndicate managers. A number of companies are not announcing their subscriptions until they are ratified by their boards of directors.

Clarke Bros. Scheme Meets With Opposition

The proposal of the bondholders committee of Clarke Bros., Ltd., that first mortgage bondholders accept second mortgage bonds in the reorganization, is not being favorably received. Bondholders and houses that placed them are in opposition. The proposal is to issue $740,000 new first mortgage bonds, employing $200,000 of the funds raised to redeem notes outstanding. The necessity of paying off the noteholders in cash is questioned. The opinion is also expressed that a sale of assets would more than cover the first mortgage bonds; for this reason the proposal for a sale on the ordinary foreclosure procedure has its supporters. It is also said that a deal could be made with a large U. S. pulp and paper concern that would be more favorable. The bondholders meet Oct. 1 to consider an offer from Chicago interests.

New Bond House Formed By Vancouver Interests

A new bond firm is being formed in Vancouver under the name of Victor W. Odlum & Co. The partners are, Brigadier-General Victor W. Odlum, Major A. M. Brown, and Chester E. Sampson. General Odlum is well known in Canadian insurance circles, and he is a director of a number of industrial and financial companies. He commanded the eleventh brigade of the Canadian expeditionary force and has been prominent in political activities.

Major Brown is well known among the younger business men of British Columbia, and since the war has been in charge of the bond department of the Royal Financial Corporation, Vancouver. Prior to his return to Vancouver, he was assistant director of records at militia headquarters.

Mr. Sampson is a native of Toronto and prior to the war was in the head office of the Confederation Life Association. In 1919 he managed the Victory Loan campaign in the interior of British Columbia, subsequently joining the staff of the Royal Financial Corporation Ltd., with which company he has been connected until now.

BOND BUSINESS HAS HAD RAPID GROWTH

New Loan is Largest Financing Ever Handled by Canadian Bond Firms

The plan followed by the Finance Minister in refunding the Victory loan due Nov. 1 has brought to the attention of the public the remarkable growth of the investment banking business in Canada and the development of efficient machinery to care for necessary financing in the country. Previous to 1914 the Canadian public was little interested in bonds. Business men, especially in the large centres, and the investing institutions such as insurance, trust and loan companies, were the principal buyers.

With the war came an increased volume of financing and gradually a larger proportion of the bonds were sold in Canada. The various Victory loans were raised by popular campaigns, under the direction of bond men, who organized the territory by counties. Following these campaigns many new firms were established.

The usual practice followed by municipalities and provinces is to call for tenders on their bonds, the successful tenderer selling the bonds at a price determined by themselves.

A new plan has been followed by the Dominion Government in its financing this year. Instead of a popular campaign, as in the Victory loans, it has sold its issues to syndicates of bond firms and relied on them to dispose of the bonds to the public. The Canadian National Railway issue for $22,500,000 was the largest issue handled by Canadian houses up to that time. The new issue will far exceed in size anything ever attempted by Canadian bond houses.

The success of the issue to date is remarkable in view of the short notice given. Most firms knew nothing of the issue until they received the syndicate circular. The announcement came so suddenly that little opportunity was given for preliminary organization. Much night work was indulged in and in a few hours circulars were printed, selling syndicates organized and the general plan worked out. Hundreds of thousands of circulars have been mailed to investors and salesmen are actively engaged in soliciting subscriptions for the loan.

Dryden's Troubles Are Not Yet Over

From Our Own Correspondent

MONTREAL.—It took only a small amount of selling of Dryden stock to move the shares down to the level of around $8, which was touched this week. The new low is a reflection of a series of little disappointments that have prevented the mill from operating on a profitable basis during the present year. June is believed to have been the only month when the company showed a profit, and in this month the margin was mighty small.

The latest disappointment has been with the new machines, which have not produced up to expectations, although it is hoped to get them running according to schedule shortly. The market for the various chemical pulps has not been strong and this has added to the company's difficulties.

Dryden's big problem is a lack of capital, and unless operations can shortly be put upon a profitable basis the shortage of working capital may become a more serious trouble.

TOURISTS IN ROCKIES

BANFF.—The tourist traffic through Banff Park for the month of August exceeded all previous records, a total of 3,652 autos passing through the East Gate and 1,945 from the Windermere Road on the West. A total of 7,197 cars have visited the new auto park in Banff since its official opening on June 14th.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen Mtge. 6's 1940	95	96
Algoma Steel 5's, 1962	..	40
Amer. Sales Book 6's 1927	98	..
Ashdown Hard. 5%, 1928 6	94	..
Brompton P. & P. 8% 1941	108	..
Can. Machinery 6's, 1940	..	80
Canada Salt 7's, 1941	101	..
Davies, Wm. 6's, 1942	86	88
Dom. Iron Steel 5's, 1939	73	76
Dunlop Tire 6's 1927	98.50	..
Dom. Sewer Pipe 6's, 1927	94½	..
Dominion Mfg. 6's, 1933	82	87
Eastern Car 6's, 1952	93	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's, 1928	99	..
K. & S. Tire 7's, 1925	78	85
Lake Superior Pap. 6's 1941	103	..
Marcus Loew's 8% Notes	..	94
Mattagami Pulp 6's, 1937	67	..
Mattagami Pulp 7% deb.	32	36
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	
N. S. Steel 6% deb.	82	85
Simpson Robt. 5's 1952	85	..
Spanish River 8's, 1941	106	107½
Stan. Clay Prod. 6%, 1942	..	90
Whalen Pulp 7% deb. 1932	..	50
Wester Power 5's, 1949	85	86

BOND MOVEMENTS OF THE WEEK

Week Ending Sept. 25

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range High	1923 Low	Ask	Latest Bid	Price High	Low
Asbestos	5	1942	6.12	100	76	90	85	87¼	—	87¼	—
Bell Telephone	5	1925	5.20	98	94	101.90	97	—	98¼	99¼	—
Can. Car	6	1939	5.98	101	95	100½	99	—	99¾	100¼	—
Can. Cement	6	1929	5.52	100¼	94	103	100	—	102¼	102½	—
Can. Cottons	5	1940	6.01	88½	82	90	88	—	88¾	89	—
Dom. Textile (C)	6	1925	6.00	101	97¼	100¼	100	100	—	100	—
Montreal Trams	5	1941	5.75	93¼	87½	96¼	89¼	91½	—	91¼	91¼
Ogilvie (B)	6	1932	5.55	102¼	100	103¼	102¼	—	103	103¼	—
Do., (C)	6	1932	5.55	102¼	100	103¼	103¼	—	103	103¼	—
Quebec Rly	5	1939	6.90	87¼	65½	82½	68	81	—	81½	81
Sher-Williams	6	1941	5.82	100	96	102	99	—	101¼	102	—
Steel of Can.	6	1940	5.90	100¾	97	102¼	99	—	99⅛	101	—
Wayagamack	6	1951	7.90	88¾	71¾	86¾	78	78¼	78	78½	78
Winnipeg Elec.	5	1935	6.26	92	88¾	94¼	86¼	89	—	89	—
War Loan	5	1925	4.70	96.30	96.10	100.95	99.10	100.80	100.70	100.70	100.50
Do.	5	1931	4.81	99.60	96.25	101.80	99.80	101.40	101.30	101.60	101.35
Do.	5	1937	4.73	101.50	99.50	103.30	102.00	102.80	102.70	103.00	102.60
Victory	5½	1923	5.30	100.70	98.75	100.95	100.00	100.20	100.10	100.30	100.05
Do.	5½	1924	4.90	100.75	98.00	101.50	100.25	100.95	100.85	100.90	100.45
Do.	5½	1927	4.81	102.70	99.75	103.50	102.10	102.90	102.75	103.25	102.60
Do.	5½	1933	4.85	104.35	101.25	106.70	104.40	105.40	105.30	105.50	105.25
Do.	5½	1934	5.25	101.35	98.30	103.90	101.30	102.15	102.10	102.90	102.10
Do.	5½	1937	4.75	106.35	103.00	108.45	106.50	107.85	107.75	108.00	107.70
Renewal	5½	1927	5.02	101.10	99.40	102.80	101.00	102.00	101.80	101.95	101.50
Do.	5½	1932	5.26	101.00	99.70	103.15	101.00	101.95	101.75	103.15	102.20

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NATURAL WEALTH ADDING MILLIONS TO BUYING POWER

(Continued from Page 1)

created a difficult situation, but the action of the government was hardly a matter for surprise in view of the advantage which some of the boat operators took of the situation which developed last year.

Too Many Merchants

The commercial situation in Western Canada and throughout the country is more satisfactory and the outlook considerably brighter. It is evident, however, that because of the extended credit position and of past experiences that the actual movement of goods to the consumer will be delayed until the money from the new crop is in circulation. A representative of THE FINANCIAL POST, who has recently been in Western Canada, writing from Calgary, gives the following explanation for the low buying power of the West at this particular time. There are considerable stocks of goods in the country. This refers to the number of dealers in relation to the population rather than to stocks of individual merchants. The public are neither afraid nor unwilling to buy but their buying capacity is not yet equal to the opportunities offered them. This explains as well that collections are slow, although for this time of the year this is not at all a cause for worry. Not since 1915 has the outlook in Alberta been so good. Farmers in some sections declare that they have this season not only the largest yield of wheat they have ever experienced, but a better class of livestock and there is an abundance of seed to last until the summer of 1924.

This Indicates Prosperity

Allowing twenty-five to thirty million bushels for seed, for local consumption and badly rusted wheat fed instead of marketed, Saskatchewan will have about two and a quarter million bushels of wheat to sell. There are slightly under 800,000 people in Saskatchewan. Dairy products for the year should amount to well over twenty million dollars. There are over a million head of cattle in Saskatchewan, about a million, two hundred thousand head of cattle, with more than half a million swine and about two hundred thousand sheep. There are nearly nine million head of poultry, the province having more turkeys than any state in the American union except Texas.

In the United States

The slump which has been noted in Wall Street for industrial securities in which such stocks as the steels and the motors have played an important part, is regarded with mixed feelings in the business community in the United States. Certainly there is nothing as yet in the business situation to warrant such pessimism, but evidently the ticker as a discounter of the future thinks a change is coming. On the other hand, such authorities as the National Bank of Commerce in New York believe that as the financial situation is sound and there has been no over-stocking of goods there is a period of stable prosperity ahead.

The National Bank of Commerce says:

At no previous period in the last five years has the general situation in the United States been as stable as today. Business continues active and there is confidence in the outlook. The advance in money rates which has taken place since the beginning of July is no greater than is to be expected as requirements for funds approach their autumn peak. Except where special factors affecting supply and demand are operative, the general price levels show no indication of radical change.

LIVELY CONTEST AS TO WHO WILL BEAR SALES TAX

(Continued from Page 1)

imported from Britain through Canadian ports and that this was accompanied by an increase in the sales tax.

Manufacturers and wholesalers state a grievance in that the government regulations provide that the sales tax must be paid within 30 days. Now, according to trade practice, 60 and 90 days' credit is given, and in some cases there will be a period of three or four months between time of purchase and payment. This means that those who pay the sales tax to the government are thus out this money for a considerable period and in the aggregate this amounts to a very large sum of money.

In the case of a dealer who has bought from a manufacturer or wholesaler, and who assigns, it is pointed out that the latter is out the amount of the tax, for the government assumes that the person making the payment will recoup himself. From this it is plain how violent is the clash of interests.

One of the points involved is as to who will absorb the tax. Under the present conditions the retailer complains that he has been bearing the burden on many lines that sell to the public at a recognized price. If the tax were made a part of the quoted price to the trade they would be in a better position to increase their prices, but undoubtedly they feel that in this case there would be a tendency on the part of the manufacturer to absorb the tax rather than have his recognized price to the consumer increased.

Apart from this, there are a great many points involving the application of the tax where raw materials or partly manufactured goods are imported and have to compete with other goods imported in the finished state. These are giving the manufacturers a great deal of trouble and many individual rulings will be required before prices can be adjusted—and the adjustment will be a prodigious task if prices to the trade are to include the new tax. Distribution through jobbers and wholesalers and direct to the trade and sales to other manufacturers also complicate the operation of the tax.

Another point has to do with manufacturers who sell to licensed and unlicensed wholesalers or jobbers. Would they be required to have two prices, one for licensed dealers and one for unlicensed dealers? Altogether, the manufacturers are making a determined stand against the proposal that they absorb the tax in their invoices.

CIVIC AND PROVINCIAL FINANCE

LAUDS ACCOUNTING SYSTEMS USED BY WESTERN PROVINCE

Reports Issued To Public Easily Read and Understood

By ROBERT DRUMMOND,
Comptroller-General of Manitoba.

In view of the questions that have arisen from time to time regarding the upkeep of the Comptroller General's Department of the provincial government in Manitoba, the following article regarding the similar department of the British Columbia government, which appeared in a recent issue of what is probably the leading publication of its kind in Great Britain, viz., the Municipal Journal, proves very interesting. It reads:

"British Columbia is a typical example to efficiency and loyalty in colonization. From the accounting point of view it is also a good instance of that freedom and elasticity which youth so freely imparts into the rigidity of the home systems of an Old Country.

"We have before us, in setting down these reflections, the published accounts of British Columbia, printed by authority of the Legislative Assembly for the fiscal year ending March 31, 1922. After the formal preface to the volumes, consisting of two lines of print from the minister of finance and the comptroller general, respectively, the whole spirit of the publication may be understood from the unofficial preface at the head of the index. 'The form of the accounts should bring to light extravagance and inefficiency, and criticism to be usefully applied.'

"It can be said without reservation that the volume consistently maintains this note, namely, that the accounts are for the education of the public and give them the maximum assistance in applying useful and constructive, as well as destructive criticism. Those familiar with many similar publications at home will realize the force of this judgment of the British Columbia statement, but the book proves its worth when tested either by general or specific instances.

"In general terms, the arrangement of the volume is simple, the sections are sequential and logical in order and in form, until we get to the statistical appendices, which might be improved in classification and, indeed, would form the nucleus of a separate section of the book capable of arrangement in as good a form as the accounts themselves which precede the statistics.

A Real Balance Sheet is Shown

"Here is a government which submits a balance sheet! Moreover, it is an understandable balance sheet which even Government officials could understand. There is a summarized statement of the income and outgoings of the government, superior to anything published in Britian, and even making allowances for the comparative simplicity of government by a legislative assembly in British Columbia, there is sufficient to prove that the more complex conditions of national life in Great Britain do not render impossible the publication of simple statements of accounts giving the nation's financial position, and its annual turnover in a simple form which could be understood by the people.

Full Details Given

"The details of the expenditure given in full, down to the humblest messenger's salary, would, of course, be too great at home for publication in a handy volume, but the way in which one can test the cost of various branches of the government of the province in relation to the return in cash form obtained from such outlay is surprising. There is always, of course, the element of public benefit not to be expressed in cash form, to be derived from the outlay of a department like the public works, which has to be borne in mind and which no formal accounts can satisfactorily illustrate. This, however, is a difficulty inherent in local government accounts and can only be tested, even approximately, by statistics as to the volume of work done, docks and harbors built, streets and roads construction and so on.

"The volume is capable of improvement in this particular, and the statistical results or facts expressed in summarized statements of work done or in the form of costs per suitable unit of work done, might advantageously be incorporated in future volumes.

"These accounts are, however, so far ahead of any publication by the British Government, that it might almost appear captious to suggest the improvements mentioned."

The history leading up to the installation of this department of government's operations in Manitoba is also of considerable interest. In the early days of the Norris government, Messrs. Price, Waterhouse & Company, a firm of chartered accountants of international repute, were engaged to, inter alia, introduce a better system of accounting into the province of Manitoba, with the result that the comptroller general's department was inaugurated. Over a year later a very similar system was put into operation by the same firm in the province of British Columbia, and, although in respect to the actual balance sheets themselves those in Manitoba appear to have certain advantages over British Columbia, still, in the main, the two systems are practically identical.

Wiarton Employs Agency To Collect Its Taxes

Wiarton council has hit upon something new in the way of tax collection methods. Tired of lack of results, the council appointed a collection agency to gather in the arrears of taxes, paying them a straight $400 a year for so doing.

The success of the new plan will be awaited with interest by many municipal officials.

Assessment Commissioner of London Makes Report

The report of London's assessment commissioner gives interesting details of the city's assessment and population. A comparison of the totals shows the assessment of land this year to be $21,490,976 against $21,320,986 in 1922—gain of $169,990. The total for buildings is $36,020,482, compared with $34,243,534 last year; business, $6,509,140 this year against $6,411,150 last, and income, $5,015,128 in 1923, compared with $4,747,353—a gain of $267,775. The grand total assessment is $69,035,726 for 1923 and $66,723,023 for 1922. The grand total gain for 1923 is $2,312,703, which, at the thirty-mill rate promised by the mayor, would produce very close to $70,000 of revenue. The statutory exemptions are:—Land, 1923, $2,435,125; 1922, $2,446,250—decrease, $11,125; buildings, 1923, $5,923,080; 1922, $5,886,400—increase, $36,680, the totals being $8,358,205 for 1923 and $8,358,205 for 1923, and $8,332,650, and the net total increase $25,555.

BRITISH GOVERNMENT BUYING BONDS IN U. S.

The marked influence on the bond market of the British debt agreement with the United States Treasury is outlined in a current bulletin issued by C. F. Childs & Co., dealers in government bonds, Chicago. It says:

"Only two market factors at present are operative and will continue to affect Liberty Seconds and Thirds for some time to come. The Seconds, being the lowest-priced issue, are the logical bonds for Britain to purchase and tender in payment for her debt, and the Thirds will be selected and purchased by the Treasury primarily to reduce the amount of that loan to a manageable size, since it is the next big loan wich will probably require refunding at maturity.

"Both these purchasing funds create a tremendous market support and have been sufficient actually to offset the entire liquidation of bonds throughout the country. It is notable that bonds thus purchased have been withdrawn forever and will not again come into the market. Not only has Britain's buying stabilized and balanced the market but it has in effect stagnated activity by virtually absorbing daily the total supply of those specific bonds. Only the masterful handling of such vast purchases prevented the market from advancing.

Tenders and By-Laws

Oct. 1, Russell Township.—$2,641, 6%, 10-instal. debentures. J. M. Lachapple, Township Clerk, Russell.

Sept. 28, Brampton.—$30,000, 5, 5¼ and 5½%, 10-instal. debentures. C. M. Corkett, Clerk.

Oct. 3, Actonvale.—$65,000 5 and 5½%, 40-year debentures.

Oct. 1, Chicoutimi.—$150,000, 5 and 5½%, 10 or 30-year serial debentures.

Oct. 4, Laval des Rapides.—$20,000 6%, 20-year bonds.

Oct. 3, Brantford.—$75,000, 5½% R. C. Separate School Debentures. John Kew, Treasurer. (See announcement on page 16).

Oct. 6, St. Therese, Terrebonne County.—$140,000, 5½%, redeemable by series from 1923 to 1948.

Oct. 8, Mount Royal Jacques Cartier Co.—$40,000, 5½%, 30-year bonds.

Oct. 16, Saskatoon School District.—$30,000, 6%, 30-yrs. Wm. P. Bate, Secretary, Saskatoon. (See announcement on page 16.)

SASKATCHEWAN

Schools.—Ridgedale, $4,500; Angove, $800; Ravensberg, $1,400; Nisbet, $2,500; Stafford, $4,000; Moorhead, $3,300; East Otthon, $3,000; Centre, $1,000; Horse Lake, $3,500; Manitou Plains, $3,000; Swinton, $3,800; Poplar Park, $3,000; Silver View, $4,300; Willow Grove, $3,300; Sproule, $1,000; Harrow, $3,100, (renewal); Meadowvale, $3,150.

CANADIAN GOV'T ISSUES OUTSTANDING

Provide for Retiring $107,948,700 Next Year; 1925 Maturities Much Less

When the present loan is secured and the 1923 Victory bonds retired the minister of finance will have to provide for another maturity next year the last of the three successive five-year Victory bond issues made in 1917, 1918 and 1919. The 1924 maturity has $107,955,650 outstanding. In 1925 there is a war loan, ten-year obligation, coming due, of $42,000,000. Below is a list of the Canadian government issues outstanding:

Maturity	Interest Rate	Amount	Payable
1 Nov., 1923	5½%	$172,403,600	Canada
1 Nov., 1924	5½%	$107,948,700	Canada
1 Dec., 1925	5%	$ 42,014,500	Canada
1 July, 1925	3½%	$ 60,800	Ottawa
1 May, 1920-25	4½%	$ 24,333,333.33	London
1 Apr., 1926	5%	$ 25,000,000	N.Y.
1 Dec., 1927	5½%	$ 63,437,250	Canada
1 Mar., 1928	3½%	$ 2,000,000	Canada
1 Aug., 1929	5½%	$ 60,000,000	N. Y.
1 July, 1930-50	3½%	$137,058,841	London
1 Oct., 1931	5%	$ 52,931,600	Canada
1 Apr., 1931	5%	$ 25,000,000	N. Y
1 Nov., 1933	5½%	$446,720,350	Canada
1 June, 1909-34	3½%	$ 23,467,206	London
1 Nov., 1934	5½%	$500,431,450	Canada
1 Aug., 1935	5%	$ 873,000	N. Y.
1 Mar., 1937	5%	$ 90,166,900	Can. N.Y.
1 Dec., 1937	5½%	$236,298,850	Canada
1 July, 1938	3%	$ 10,950,000	London
1 July, 1938	3%	$ 18,250,000	London
1 July, 1938	3%	$ 8,071,230	London
1 July, 1938	3½%	$ 15,056,006.66	London
1 Oct., 1940-60	4%	$ 93,926,666.66	London
1 May, 1942-52	5%	$100,000,000	N. Y.
1 Dec., 1945	4½%	$ 65,207,351	Canada
1 Oct., 1947	2½%	$ 4,888,185.64	London

Members of Syndicate Handling the New Loan

The banking syndicate handling the Dominion of Canada Refunding Loan, 1923, comprises the following financial houses: Dominion Securities Corp., National City Co., A. E. Ames & Co., Wood, Gundy & Co., Aemilius Jarvis & Co., Kerr, Flemming & Co., Matthews & Co., R. A. Daly & Co., McLeod, Young, Weir & Co., Gairdner, Clarke & Co., Osler & Hammond, Murray & Co., C. H. Burgess & Co., W. A. Mackenzie & Co., F. H. Deacon & Co., Macneill, Graham & Co., Harris, Forbes & Co., Hanson Bros., Royal Securities Corp., Nesbitt, Thomson & Co., Rene T. Leclerc, Greenshields & Co., Bank of Montreal, Royal Bank of Canada, Canadian Bank of Commerce, Bank of Nova Scotia, Dominion Bank, Imperial Bank of Canada, Bank of Toronto, Standard Bank of Canada, Union Bank of Canada, Molsons Bank, Sterling Bank of Canada, Banque d'Hochelaga, Banque Nationale, Banque Provinciale du Canada, Weyburn Security Bank, O. and D. Savings Bank, La Caisse d'Economic, Quebec.

Australian Loan Not As Successful As Ours

MONTREAL.—The success of Canada's refunding loan is the more striking in the face of the second failure of Australia's conversion loan. This loan was announced for mid-summer, but had to be withdrawn after falling far short of its objective. It was re-offered this month, the government asking for £38,000,000 at 5 per cent. for five years, and the books closed on September 15 with a shortage of £8,000,000. It had been hoped that Australia could absorb the full amount. The offering price was 98.

The government of Victoria has put out a conversion loan in London, £9,000,000 of 5 per cent. bonds, maturing from 1932 to 1942 and offered at 99.

Lebel-Crystal mines in Kirkland Lake may be financed by English capital. The concern has 700 acres in Lebel Tp.

Dominion of Canada
1923 Refunding Loan
5% Bonds
Conversions attended to.
New subscriptions solicited.
RENE-T. LECLERC
Incorporated
Montreal:- 188, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
96

New
DOMINION OF CANADA
5% Bonds
Orders may be telephoned or telegraphed at our expense.
Exchange of Maturing Bonds effected without cost.
HOUSSER WOOD & CO.
INVESTMENT BANKERS
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MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 3293 - TORONTO

EXECUTIVE with successful manufacturing record, desires to enter into confidential negotiations with reliable firm of manufacturers with view to investing considerable capital and assuming partial or complete active management.
Address Box 104,
CARE THE FINANCIAL POST.

The total funded debt of Portage la Prairie is $1,074,776, according to the city auditor's report for 1922, and the sinking fund amounts to $260,599. The funded debt is made up entirely of debentures except $40,000 mortgage on the electrical plant.

We Serve —

ADVISORY BOARD
Rt. Hon. Lord Shaughnessy, K.C.V.O., Chairman
Sir John Aird
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In placing your order for the new Dominion of Canada Bonds with us you are establishing a connection with an investment house whose specialized service will prove of inestimable value to you in future.

We not only purchase and sell sound bonds and other high-grade securities, but we are at all times pleased to give you information and advice regarding investments.

We serve alike, the investor of small and large amounts.

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New York Chicago San Francisco London Geneva Tokio

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Sept. 2	Fredericton, N.B.	Eastern Securities Co., Halifax	5%	25-yr.	$ 25,000	97.03	...
Sept. 25	Etobicoke Twp.	Matthews & Co., Toronto	5½%	20-ins.	40,000	100.286	5.45
Sept ..	Spring Valley, Sask.	C. C. Cross & Co., Regina	6½%	....	7,000	101.44	...
Sept. 15	Sask. Schools, etc.	Various	....	....	231,799	....	...

The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Established 1869
BOARD OF DIRECTORS
HUME CRONYN, President, London.
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E. P. CLEMENT, K.C., Kitchener.
L. J. BREITHAUPT, Kitchener.
GEO. PATTINSON, Preston, Ont.
W. G. WATSON, Toronto.
SIR LOMER GOUIN, Minister of Justice.
MAJOR-GEN. HON. S. C. MEWBURN, K.C., Hamilton, Ont.
VINCENT MASSEY, Toronto, Ont.
LOUIS LA COURSE LANG, Kitchener.
OFFICERS
CHARLES RUBY, General Manager.
W. H. SOMERVILLE, A.I.A., Assistant General Manager.
H. M. COOK, A.I.A., F.A.S., Secretary.
A. E. PEQUEGNAT, A.I.A., F.A.S, Comptroller.
J. F. HONSBERGER, M.D., and J. M. LIVINGSTON, M.D., Medical Directors.
M. S. HALLMAN, A.I.A., F.A.S., Actuary.
J. M. LAING, A.I.A., F.A.S, Associate Actuary.
G. J. A. REANY, Supt. of Agencies.
SIMS, BRAY & McINTOSH, Solicitors.
Assets $53,605,630.49.
Business in force $250,000,000.
Head Office — — — Waterloo, Ontario.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
Policies Issued from $500 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

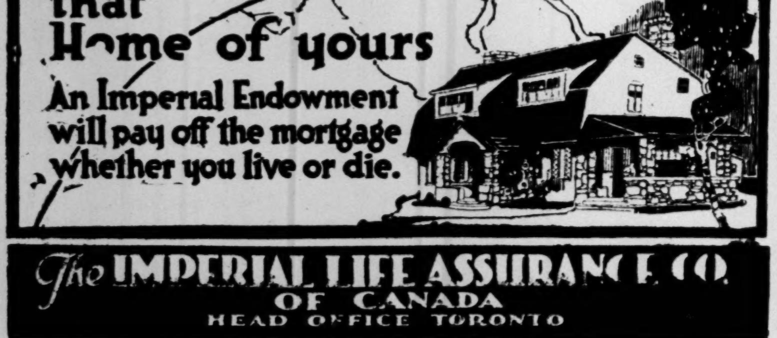
THE MACCABEES
Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.
Liberal contract for good organizer for City of Toronto.
JAS. S. GREEN, 249-250 Confederation Life Bldg.
TORONTO, ONT.

A Story in Figures

Since the founding of The Great-West Life Assurance Company in 1892, policyholders have received $25,994,365. At the close of 1922, business in force amounted to $318,607,146. Surely such a record signifies unequalled benefits to policyholders.

A booklet, "A Few Facts," is an interesting story of the company. Write for it.

The Great-West Life
Assurance Company
Dept. "G." HEAD OFFICE WINNIPEG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Home of yours
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will pay off the mortgage
whether you live or die.
The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

INSURED OVERLOOKED CO-INSURANCE CLAUSE

Owner Finds Must Keep Property Heavily Insured; That Negligence Results in Loss

The pitfalls by which holders of fire insurance policies suffer unexpected losses through their own negligence, is emphasized in the current issue of the "Federal Magnet," published by the Federal Fire Insurance Co. The danger of the co-insurance clause, in spite of the apparent savings it effects, is made clear. A typical case of a merchant, who has had a fire, is taken. The unfortunate circumstances are revealed during the visit of the adjuster, which is terminated by this discussion.

They agreed finally that $16,000 would cover the loss and retired to the back office to complete the claim papers.

"I see you have the 90 per cent. co-insurance clause in your policies, Mr. Drew." Brown spoke with directness and knitted his brow as he looked squarely into Drew's eyes.

"Yes, I have, but I suppose that doesn't effect the claim? I got my insurance a little cheaper by having that clause in." Drew commenced to fidget.

"That is where you are seriously mistaken. Let me read you the clause:

'It is a part of the consideration of this policy and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on each item of property insured by this policy, of not less than ninety per cent. of the actual cash value thereof, and that, failing so to do, the assured shall be a co-insurer to the extent of such deficit, and in that capacity shall bear his, her or their, proportion of any loss.'

"Now, how does that work out in your case? Your buildings and stock are valued at $40,000. You are therefore required to carry $36,000 insurance, and that is exactly what you have. There are four policies of $5,000 each in these four companies, and the remaining $16,000 is covered by an unwritten policy in which you are your own insurer, and this unwritten insurance is just as vital to the settlement as the four policies kept in your safe. The loss is $16,000. Your four companies will pay you $2,222 each, or $8,888 in all. And the proportion which you must bear as the fifth insurer is $7,112. I am very sorry, but there is no way to get around it."

This apparent danger through carelessness is possibly more evident in the case of insurance than in other types of contract. When approached to buy insurance of any kind, nearly all men develop a non-receptive attitude. However, if the salesman succeeds in convincing the prospect that the insurance is needed, he agrees to the application, and there his measured caution ceases. Agents agree that few read their policies or ask for an explanation of their terms. The result is that it is largely forgotten until a claim arises, when details which the insured should have known before are revealed. This is specially true where a lower premium is involved, as in many such cases this is made possible by restrictive clauses, in the same way that the co-insurance clause cited above reduced the company's liability.

INSURANCE LICENSE

A license has been issued to the Stuyvesant Insurance Company, for tornado insurance in addition to fire insurance for which it is already licensed.

INSURANCE FOR BUYER AND SELLER

LIFE COMPANIES BUY BIG BLOCKS OF 20 YEAR LOAN

Sun Life Gives Large Subscription for Ten Millions

The keen interest displayed by the insurance companies in the Dominion Government loan emphasizes the special advantages of the bonds as investments. The purchase of $10,000,000 of the bonds by the Sun Life Assurance Company is the largest individual subscription to the loan reported to date. The Metropolitan Life Insurance Company, which is regarded as the largest life insurance company in existence, has subscribed for $5,000,000 of the loan. The Prudential Life, another of the larger American companies, is taking $2,500,000 of the issue.

Many other companies, both large and small, have intimated that they intend to subscribe for large blocks. Delays in definite announcements from these are made necessary by the short notice by which the loan was offered. In the case of most bond issues, information about the details is usually given some days in advance of the actual offerings. This gives the investing boards of companies an opportunity to consider the offers carefully. In the present case, even the financial houses had only a short notice before the issue was launched. Consequently, many companies have been unable to secure a ratification by their boards of intended purchases.

The question of what part of these large subscriptions represents a refunding of 1923 bonds held by these companies, has invited some comment. Definite information on this point is not available, but it would appear that a large part of these purchases represent new investing, as none of the three companies mentioned held any 1923 Victory bonds at the close of 1921, according to the latest report of the Superintendent of Insurance at Ottawa. Some buying of 1923 Victory bonds has taken place since that and it may be that part of this was on behalf of the companies concerned.

The fact that these companies look so favorably on the bonds has a special significance to investors at large. The growth of insurance companies in recent years to immense proportions has resulted in making their officials among the most experienced and best informed investors in the country. They have always shown great favor toward Dominion Government bonds, recognizing the unquestioned security and above all the wide salability embodied in them.

The interest of trust companies in the issue is expected to be equally as marked as that of the insurance companies. One subscription from the Eastern Trust Company of Halifax for $1,000,000 has already been received.

SOLDIERS' INSURANCE TOTALS $75,000,000

Final Applications Now Being Considered; Some Received From Persia and China

The soldiers' insurance in force under the Dominion Government, and the applications received and now being considered, amount to $75,000,000, divided among approximately 34,000 policyholders.

Returns are now well completed for the applications made all over the country, and even outside Canada under the extension of time given last session, which expired on the first of September. During the last four weeks of that period, it was stated recently at the Department of Soldiers' Civil Re-establishment, there had been received 11,000 applications for $22,000,000 on insurance.

It is stated that it will be the end of December before the work of completing the applications is finished. Applications under the act have been received from as far away as Persia and China.

At the end of the last fiscal year, March 31 last, there were outstanding 19,516 policies with a value of $47,000,000. Thus the total applications received since that date run well up to $28,000,000.

An extraordinary claim under the plan is reported. The son of a Russian peasant woman was a soldier in the Canadian Expeditionary Force and took out $5,000 in insurance under the government plan. He has recently died, and his mother is receiving the insurance in the form of a lump sum of $1,000 and a five-year annuity of $898.52. At the time the first payment of $1,000 was made it took a million rubles to equal a dollar.

Thus the first payment was equal to a billion rubles, and each of the annual payments will nearly reach the same value.

CIGARETTES FOR ORIENT

Twelve billion American cigarettes, an average of a billion a month, passed out of the ports of the United States in the fiscal year just ended. Curiously, too, says the Trade Record of The National City Bank of New York, nearly all of them went to the Orient, which produces half the tobacco of the world and has ample supplies of labor with which to turn it into form for use. While the whole world made the acquaintance of the American cigarette during the war period, it was in the Orient that its use ripened into a "habit" while the European habit of the war years proved only temporary.

Life Companies Erect New Toronto Buildings

Contracts have been awarded, and work commenced on a new four-story building to be erected by the Canada Life Assurance Company at the southeast corner of Gerrard and Yonge Streets, Toronto.

It is understood that the Olympic Bowling Club will occupy the top floor, offices will be rented on the second and third floors, and an automobile concern has leased the ground floor.

It is also expected that tenders will be called for in October for the new building to be erected by the Manufacturers Life Insurance Company, on the large area of vacant land bought by them opposite to St. Paul's Church on Bloor Street. The exact date of the commencement of building operations is not yet announced. The company's head office will be located in the new building.

REALIZE MUTUAL COMPANIES MUST BUILD RESERVES

Manitoba Report Estimates Decrease of Insurance in Force

The annual report of the Manitoba superintendent of insurance for 1922 shows that 32 companies operated under the department during the year. Complete figures for the year are not yet available. In the preface, the superintendent expressed the opinion that the premium income of all classes of insurance, except hail, in the province will show a decrease in comparison with other years. It says further:

"With regard to Hail Insurance, however, the approximate figures are available, and they show an increase over last year of about thirty per cent. in premium income and over forty per cent. in losses, and the loss ratio in comparison with the premium income is about one hundred and twenty per cent., so that the companies carrying hail risks experienced the second consecutive year of hail losses; something very unusual, if not unprecedented, in Manitoba.

"A very outstanding feature in the insurance history of the past year in this province has been the serious losses experienced by the farmers' Mutual Insurance Companies from hail and wind storms. In past years the members of these Mutual Companies appear to have strenuously opposed the building up of adequate reserves; they must now realize that if the principle of mutual insurance is to succeed the foundation of the whole principle must be a reserve fund built up in years of small losses to take care, beyond the peradventure of a doubt, of losses in less fortunate years. At the present time the creation of reserve funds is permissive, and when this department, in 1919, strongly advocated the amendment of the Act so as to make it imperative, the consent of the mutual insurers could not be obtained; now, however, the members of Mutual Fire Insurance Companies in the three prairie provinces are actively co-operating with the insurance departments in effecting this improvement, by the drafting of an improved, and as far as circumstances will permit, a uniform Mutual Fire Insurance Act for use in the provinces of Alberta, Saskatchewan and Manitoba."

The statement of the Quebec superintendent of insurance is now published. The assets, fire, life, guarantee and accident companies under the department total $4,698,071. Besides these there are a number of various types of mutual companies with provincial licenses but their business is small in comparison with the total business done.

Publicity Necessary to Life Insurance Agent

The place a life insurance salesman should cocupy in a community was outlined by F. J. Knox, president of the Hundred Thousand Club of the Great West Life at a meeting of the club in Winnipeg recently. He said in part:

"I believe the greatest asset an agent can have is the fact of everyone in his territory knowing he is in the life insurance business. I may be wrong but proper publicity will produce more business than all the qualifications of a successful agent. By publicity I do not mean paid for newspaper advertisements or special stunts. I think an agent may secure publicity in a number of ways: for example—if he lives a decent life and is respected by his friends and acquaintances—if he recognizes the value of being a good citizen, if he assists and contributes to local charities, and, above all, if he persists in reminding people, in tactful manner, that his business is to sell life insurance.

"The average policy of the twenty leading Canadian companies in the year 1922, is just about 30% greater than the average policy of the same companies in 1917. Business men have came to realize there is no substitute for life insurance, either for rich or poor, and the agent who is well and favorably known is the one who is certain to benefit."

Maritime Life Soon To Write Insurance

From Our Own Correspondent.

MONTREAL.—The Maritime Life Assurance Co. has announced that it has received to date applications for shares totalling approximately $350,000. This means that it has surpassed, by about 75 per cent., the amount necessary under its charter to secure a Federal license to write life insurance. Plans are now being made to commence writing business almost at once, and a complete organization is in process of building.

THIRTY PER CENT. INCREASE IN LIFE INSURANCE SALES

Improvement is General in Canada—Agents Are Optimistic

Sales of ordinary life insurance in Canada during August of this year were thirty per cent. greater than during August, 1922, according to figures just published by the Life Insurance Sales Research Bureau of New York. In August, $31,065,000 of new ordinary life insurance was reported in Canada by fifteen companies having eighty-five cent. of the ordinary life insurance in force in the provinces. Although this is not quite as large a total as in June, when these same companies wrote $31,865,000, the bureau reports that there is usually a slight falling off in sales during the summer months, and that in spite of the usual slackening at this season of the year, August sales were greater than during any month of 1921 or 1922.

In the first eight months of this year, the same group of companies reported sales of $229,564,000 in Canada as compared with sales of $203,384,000 during the same months last year, an increase of thirteen per cent. The experience of these companies would indicate that business conditions in Canada are better than at any time during the past two years, and that the Canadian people are saving more through life insurance than at any time during that period.

That these conditions are not confined to any one locality is indicated by the fact that for August every province showed increased sales over August of last year. Prince Edward Island was the leader with a reported increase of sixty-five per cent., followed by Newfoundland with a forty-three per cent. increase, and Ontario with a forty-one per cent. increase. Quebec, with a gain of twenty per cent., and Alberta, with a gain of thirteen per cent., stand lowest in rank.

Considering sales for the year to date instead of the month of August, British Columbia leads the other provinces with a twenty-nine per cent. increase over the same eight months of last year. Nova Scotia, Saskatchewan and Ontario, with increases of twenty-five per cent., twenty-one per cent., and eighteen per cent. respectively, follow in the order named. For the year, to date, all of the provinces show an increase over the eight months of last year, except Alberta which shows a decrease of nine per cent.

Insurance executives returning from trips among their agents report a feeling of optimism. Since the fall of 1920 agents in Western Canada especially have been facing exceptional difficulties. The tendency has been to secure notes in payment of premiums throughout most of the year, only to find these notes unpaid in the fall. The straitened circumstances of many made a reduction in expense necessary, and insurance seemed an easy place to cut down. With the knowledge that many partly paid up overdue debts last year, and the prospects of a big crop this year, field men expect that conditions will show a marked improvement soon.

Ask Payment of Premiums On Insurance by Germany

Final argument in support of the $6,119,000 war reparations claim of the Canada Steamship Lines was presented before Hon. Dr. William Pugsley, War Claims Commissioner, in Montreal last year. This represents the total value, plus interest, of 11 vessels owned by the company that were sunk by the enemy during the great war.

This part of the claim had Mr. Pugsley's approval. Insurance had been received on the vessels to the amount of $3,979,360, and against this the company asked to be allowed to set the sum of $1,869,679, which had been paid out in premiums for the insurance of all the company's vessels, torpedoed or not torpedoed. The Commissioner was not convinced that this part of the claim should be allowed. He is placing the matter before the government.

Bank Lends $25,000,000 To Insurance Companies

An associated press despatch states that the Bank of Japan has agreed to lend 50,000,000 yen ($25,000,000) to the Japanese insurance companies for payments on policies for thousands killed during the recent earthquakes and fires in Japan. A total of 30,000,000 yen is necessary to meet insurance payments, and the additional 20,000,000 yen will be used to assist the living policyholders.

Fire Company Fails to Pay Losses in Ontario

Notice has been given to brokers by the Ontario department of insurance that it is advised that the Iberia Assurance Company of Madrid, Spain, has failed to pay fire losses in Ontario insured by it, and for this reason insurance placed with this company, under the provisions of Section 250 of the Ontario Insurance Amendment Act, 1922, will not be approved by the department.

The notice states that any insurance effected by any broker with this company, subsequent to the receipt of the notice, will be considered a breach of the brokers' license regulations respecting insurance with unregistered corporations.

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WESTERN POLICY SHORT-SIGHTED TOWARDS CAPITAL

Government Competition Has Discouraged Private Investor

WEST WORTH WHILE

Appeal to Eastern Business Interests to Give Broader Consideration to Western Problems and Their Solution

Is the West Worth While? This is the title of a pamphlet which has been issued with the idea of directing the sympathetic interest of Eastern Canada, and particularly the commercial and financial institutions, to a solution of Western Canada's problems. It is written by A. S. Bennett, of Swift Current. While calling on the East to take a greater interest in the West, the writer admits that the treatment of the banks and the mortgage companies by Western provincial governments, in enacting moratoria and in launching government credit schemes which have discourraged private investors, has been short-sighted. He says:

All during the stressful pioneering days the now-established settlers were financed through the incorporated loan companies and the banks. The loan and mortgage institutions found practically all the money for the long-term borrowings, while the banks confined their attention almost exclusively to short-term arrangements.

To-day we find that the provincial governments have, for reason of political expediency, embarked in the loan business at a tremendous cost to the taxpayer. What is worse, however, certain tactics have been adopted which have practically compelled the loan companies, for their own protection, to steer clear of the Western Farm loans market.

Alberta has a moratorium law in existence whereby it is practically impossible for the loan companies to recover from a client, no matter how glaring the incompetence or breach of trust on the part of said client.

Saskatchewan, while having no actual moratorium legislation, is continually threatening to introduce such a measure. The result is that in these two provinces there has been very little money available from the recognized loan corporations for agricultural development. Government Loans were introduced primarily from the standpoint of political advantage, and subsequently operated with the political steering-gear more or less in evidence. Both in Saskatchewan and Manitoba, where farm loan schemes are in vogue, the business has proved extremely unprofitable for the taxpayers. Deficits have piled up and dissatisfaction with the modus operandi is very frequently and very forcibly expressed.

This entering of the financial loaning field by the western politicians has in reality turned out to be a piece of economic demoralization, instead of the great general salvation to the pursuit agricultural that was so fervently promised by the political leaders. Bad debts have accumulated which added to excessive administration costs, present total deficits which would long since have put any private concern into bankruptcy.

These deficits, have got to be made up. The result is an additional tax burden both upon the farmers themselves and upon urban enterprise. At that the very limited number of settlers who could benefit by the government rural credit schemes owing to the restricted capital available, makes governmental entry in this field absurd and farcical when the needs of the West are considered in terms of its ultimate aggressive development.

Perhaps the worst feature about the entry of the Western governments in the farm loan business is the two-fold lack of confidence that is fostered. Not openly, perhaps, but insidiously, the farmer is led to believe by his friends the politicians that the established financial concerns of the country are out to bleed him dry. And on their part the private loan corporations are forced to conclude that the governments are in active opposition to them and their legitimate, incorporated financial enterprises. These companies, not being actively engaged in politics, and having no heelers for lobbying, or large blocks of voters to deliver at the polls on election day, are forced to retire from the loaning field of the West and divert their resources into other more reasonable and profitable channels.

What a lamentable state of affairs! By their own actions in political pandering the governments of the prairie provinces themselves have proved a very serious deterrent to progressive agriculture; a foe to constructive business enterprise, without whose funds western agriculture would be in no sense developed as it is to-day, and themselves the instigators of a senseless class feeling that is doing untold harm in Canada, a canker that if not stamped out very speedily will eat its way to the very heart of our vital institutions.

What a short-sighted administration vision it is that holds one hand outstretched for the boons of peace, progress and prosperity, while with the other it scatters broadcast the seeds of dissention and distrust, suspicion and stagnation!

By all means let there be wise and just regulations governing loans and banking so that the farmer is given ample protection against any possible exploitation on the part of the unscrupulous; but to say inferentially that the reputable development of the West, and for the development of large constructive enterprises everywhere, should be shut out of their legitimate business in the broad western field that so sorely needs ready money, is one of the most fallacious and destructive policies that was ever uttered by the political propagandists. These seem determined to remain in power in the West even at the country's direst economic sacrifice. It is doubtful, however, if the farmers will continue to be humbugged much longer.

While the writer holds no briefs for the financial concerns, he is deeply convinced that there is a lot of ignorant twaddle broadcasted to-day about capital, and that the country is being seriously handicapped thereby. The money that is handled by the loan corporations, whether by mortgage, debentures, or other collateral is made up of accumulated "widows' mites"—it is the savings of the people at large which are put to work. If reasonable returns cannot be realized from these investments, then the source of money supply must perforce close its purse strings, and productive development must cease.

Only a couple of years ago a market was sought in Western Canada for many millions of dollars of surplus savings from Holland. The conditions were such, however, through the barriers erected by the western provincial governments, that interest returns would be uncertain. The money was then withdrawn from Canada and diverted to the United States. The Holland people were not anxious to see the principal of this money again; but they wanted assurance that it would be safe and would pay its interest regularly. The West could not give that assurance, thanks to the politicians and their toy farm-loaning department.

What a shameful, senseless way to treat capital in a new country whose future progress depends primarily upon the availability of working investments.

Detroit's Experience

From Michigan Manufacturer and Financial Record of Detroit.

Not that we hope that any comment that we may make in this paper on Detroit's operation of municipal ownership will have any effect in Detroit for some time to come, but for the purpose of presenting the results to other portions of the state, it may be worth while to call attention to what is happening to that city by reason of its adventures in municipal trading enterprises.

Detroit is, to a large extent, made the pattern of the progressive cities of the state, both in her excellences and in her defects. It has both in its municipal government. During the last four years there has been a perfect saturnalia of expenditure, the money for which was largely derived from the sale of public bonds, which are drafts upon future taxation.

Some Expenditures Justified

Some of these expenditures were justified and some more were not. For instance, a rather extended sewage program was undertaken which is about completed; this being promoted, not alone by responsible engineers and students of the public health, but by owners of outlying property which would be immediately benefited thereby and made available for settlement. However, this last selfish side will be taken care of by time, because Detroit needs new areas in which people can build individual homes upon lands cheaply purchasable, and get relief from the high rents of congested territory.

Extravagant School Program

An excessively extravagant school program was entered upon, growing out of two causes. One was that the school system of Detroit has become a system of fads and fancies, and from being an organization that should give rudimentary education to the largest number of children, has become the foundation for some ginger-bread upper-works which will furnish the largest number of opportunities for high-priced teachers. The teaching class in Detroit represents nearly 5,000 teachers who are persons of influence and standing, and their class consciousness has directed them to favor every manner of expenditure that will provide a new line of high-priced jobs for members of their class.

The second reason for the increase of the capital cost of the Detroit school system has been the determination to teach everything, even though only a few participated in the benefits of the special teacher. This is not a democratic basis for taxation.

Pingree's Experiment

By far the largest expenditures which have been made in Detroit in the last four years have been for what are scientifically known as municipal trading enterprises. The first of these was a public lighting plant organized under an earlier demagogue, Pingree, many years ago, full of promise of economic operation, repeated every year, and bragged about in the annual reports. The bookkeeping of this system has not been correct because it has not taken account of the depreciation and obsoletion of the plant. Now it is proposed to spend, some say twelve millions and some say eighteen millions, not to enlarge it, but to supplant it. In other words, the capital value of the present outfit is to be "junked" and there is nobody who has a clear enough vision of the bookkeeping side of the situation to appreciate that the cost of this "junking" should have been charged into the operating expenses of previous years.

Even at that, part of the new capital cost chargeable to a lighting plant is openly stated to be not chargeable to that account. It is intended to supply power for a street railway enterprise which ought to carry its own power house construction costs and not have them put into any account where they can be evaded.

Financing the Street Railway

The city has spent twenty million dollars in bonds for the acquisition of a street railway plant, on which it still owes fifteen millions. That twenty millions was invested on the theory that it, too, would provide more economic service to the public and give great results in the way of good service. Well, Detroit's had it for a year and a half now, and the economies of cost have been dissipated by the announcement that fares will be raised 20 per cent. on the first day of next month. The quality of service is still unimproved. As a matter of fact the men who have the matter in charge and their associates in the city government are already advising the tearing up of street railway tracks which are part of a system which was formerly held not to be extensive enough. So far as the service rendered is concerned, there is no improvement. It is of rather lower grade.

Effect on Credit

The results of these adventures in public credit are briefly as follows:

The great municipal bond markets of the country are to be found among the savings banks of New England and New York and their insurance companies. The law and practice of these states prohibits the investments of their funds in municipal securities which aggregate more than seven per cent. of the assessed valuations of the municipal units which issue them. Detroit has got to the point now where it has exceeded this seven per cent. provision. The margin available is $30,274,968.31, against which it has encumbrances in the way of borrowed money, amounting to $23,608,180.94. And it has other projects for which bonds are authorized amounting to $22,427,204.02, showing that it has already pledged itself for $15,700,438.65 more than the seven per cent. provision of the New York banking law.

This means that hereafter when it passes the seven per cent. provision in actual expenditure, it will be confronted by two things. The first of these will be a breach of faith toward the holders of bonds already issued under the seven per cent. provision. We do not know what the attitude of the laws of these other states is with regards to bonds acquired under the seven per cent provision, and the continuing holding of them after the cities issuing them have exceeded that proportion. It may be that they will have to be sold because they do not come within the limitations of the law. If that is the case Detroit's city bonds must go down. The other situation is that with the seven per cent. provision exceeded, Detroit must market its bonds on the secondary markets, or find Henry Fords and other private investors to take them off their hands. That condition means an advance in interest rates and additional cost of government.

The other cities of the state which are ambitious and tending to be extravagant may take a lesson from the experience of Detroit. Detroit is so rich that nothing can seriously hamper her financially. However, that cannot be said of some of her less wealthy imitators among our cities in Michigan.

Balancing the Budget is Only First Milestone on the Road

(Continued from page 10)

than merely being held in check. The United States, Great Britain and Australia, to mention three other important English-speaking nations that were in the war, have all decreased their national debts from the war or after-war peak. Canada, on the other hand, comes out with the announcement of a new $172,000,000 loan to meet an old $172,000,000 loan in the very week that the premier's optimistic review of the country's finances was given to the world. Actual reduction in the national debt can be considered as Milestone No. 2 toward which the country's political and economical aspirations might tend now that the premier is able to state that Milestone No. 1 is as good as passed.

Reduction in Taxation

The third important milestone would be a reduction in taxation. Some political maps might show this landmark ahead of the last one. It is a reduction in taxes, not a mere rearrangement with higher taxes here and lower taxes there, but a definite reduction in the tax burden, that would noticeably lighten the load on industry; something as tangible as Mr. Baldwin's slicing of sixpence to the pound off the British income tax.

The premier's address made much of the fact that Canada did not pay for the war out of revenue but borrowed as much as it spent. Figures in support of this contention have already been published in these columns. Premier King could make the statement with considerable political satisfaction, for he was able to resort to the familiar trick of blaming his "predecessors in office" for the whole difficulty. The average business man does not care whether the Grits or Tories were to blame. He is chiefly interested in the result of this deplorably inefficient policy of war financing on present rates of taxation.

It is rather surprising that only now, about five years after the end of the war, is much attention being paid to the fact that in our war prosperity we paid but little of our war costs. Taxes were heavy, but not because of the cost of the war; the railways got every cent of surplus revenue during the war years and after. Mr. King put it this way:

"It is true that the debt of the country is enormous, that the interest payable on the debt is larger than the entire cost of government only a few years ago, that the taxes are high, but why is this? It is because we are now trying to meet obligations arising out of the colossal expenditures of the four years of the war, not a dollar of which was met by the government of the day out of the taxes of the people. This is an appalling statement, and it is one which the people of Canada cannot take too much to heart, in viewing the burdens which they are being called upon to bear, but it is none the less true. The war was financed by loans, and it is the repayment of these loans which constitutes the heaviest burden and the interest on these loans which constitute the largest single immediate charge upon the revenues of the country. If we take into account what was raised by taxation, and what by loans during the period of the war, we will find that the sums raised by taxation were just sufficient and no more than to meet the ordinary government expenditures current at the time."

Canada and Australia

His statement was not supplemented by any figures, but these are available, having been prepared for THE FINANCIAL POST a few months ago by J. Courtland Elliott, M.A. They show that during the period from 1914 to 1921, roughly the period of the war and subsequent demobilization, there was a deficit of about $78,500,000. But the war in that period had cost $1,681,500,000. There was not a dollar of surplus revenue available to meet this war cost. Every cent was met by public loans—additions to debt.

At this juncture it might be illuminating to compare this record with the war-financing of Australia, a sister dominion that put more money into the war, in proportion to population, than did this country, and which is, broadly speaking, comparable in this respect with Canada. The total cost of the war to Australia from 1914 to March 31, 1921, was £395,833,350, which was considerably in excess of the Canadian figure when worked out into dollars and cents. Of course, the total war cost of Australia to the present time has been considerably higher, just as has Canada's, but March 31, 1921, has been taken as a convenient date for the sake of uniformity. Of the total, Australia met £104,002,242, or just about 25 per cent., out of revenue. The remainder, £291,831,008, was raised by loans. If Canada had paid 25 per cent. of its war costs out of revenue, had saved money in other ways and based its taxation on the aim of securing this revenue during the war and the demobilization period, the national debt would to-day be about $400,000,000 lower than it is and the annual expenditures on debt charges about $95,000,000 instead of around $115,000,000. The income tax could be about one-third lighter than it is to-day.

A Long Way To Go Yet

We did not pay for any portion of the war costs as we went along, and now we either have to begin to pay the bill or continue to have the interest added to it and compounded. Hence the ineffectiveness of reaching Milestone No. 1 as anything like a complete solution of our fiscal problems.

Mr. King is to be congratulated on being able to go as far as he did in presenting a picture good to look at. But he and his colleagues must not forget that there is a long road ahead. The jaunting cart that will ride best over this rocky road is labelled, "Economy," and the wheels sing a song, "Pay as you go."

LAMENTS MANITOBA DEFICIT IN THREE SUCCESSIVE YEARS

Provincial Treasurer Says Need for Further Strict Economy

WINNIPEG. — The figures presented to the Rotary Club of Winnipeg this week by Hon. F. M. Black, treasurer of Manitoba, in an address on, "Provincial Finance Summarized," immediately indicate that the Bracken Government must swing its pruning knife with a still wider swath, and that further sources of new revenue must be found before Manitoba's budget will balance. Mr. Black showed where 50 per cent. of the provincial expenditures were "uncontrollable." He estimated the provincial deficit on the current year's operations at $1,538,000.

This estimated deficit is understood not to take into account the new source of income from liquor sales. Mr. Black is reported recently to have forecast a government profit from this source in the coming year of approximately $1,000,000. However, none of this is likely to be applied to the government's current fiscal year.

Faced with two alternatives in the problem of balancing the budget, reduced expenditure or increased sources of revenue, Mr. Black declared the government had discovered that more than $7,000,000 of the annual outlay of the province was uncontrollable. A further $2,000,000 was practically uncontrollable, leaving less than $3,000,000 which could be cut down. The figures used related to the financial situation as it was when the 9-months' fiscal period which ended August 31, 1922, came to a close.

Mr. Black stated that Manitoba's liabilities under capital account amounted to $68,331,000. This resulted mainly from sale of stocks and bonds and investments in the Manitoba provincial savings bank, but moneys derived were re-invested in self-supporting assets to the value of $40,436,000. These utilities included telephones, $17,700,000; grain elevators, $1,300,000; farm loans, $6,000,000; rural credits, $3,000,000; drainage and judicial districts, $6,327,000; Canadian Northern Railway bonds, $350,000; power commission, $1,834,000; housing scheme, $3,575,000, and cattle schemes, $350,000. The total of $40,436,000 deducted from the gross capital debt, left a net debt of $27,895,000.

Capital invested in properties and good roads in 1917 was $14,280,000, and in 1922, $27,850,000, an increase of $13,570,000. During the one and three-quarter years between January 1, 1920, and October 1, 1921, the province floated $27,882,000 of debentures at 6 per cent., bringing an annual interest charge on the treasury of $1,673,000.

He reviewed figures of operating deficits for the past three years as follows: In 1920 the deficit was $460,000; in 1921 it was $600,000, and for the nine months of 1922, $1,346,182, a total for the period of $2,406,182. Before the province commenced to incur deficits on annual operation it had a nominal surplus of $494,532. Deducting this from the entire deficit it left $1,911,650 at Aug. 31, 1922. Had the 1922 fiscal period been of 12 months' duration instead of nine, he said, the deficit, at the same rate of calculation, would have been $1,800,000.

The gross interest payments in 1920, he stated, amounted to $2,340,000, and he estimated they would be $4,176,000 this year. He recalled that expenditure estimates for the 1922-23 fiscal period, voted at the last session of the legislature, totalled $11,471,884, including both main and supplementary estimates. Of this amount, he declared, $7,050,468 was uncontrollable, being made up of interest and sinking fund charges, legislative costs, legacies, etc. A further $2,279,883 was "practically uncontrollable." This total was embraced in the following items: educational grants, $1,429,000; mothers' allowances, $450,000; hospital and charity grants, $212,468; referenda, $103,415; unemployment relief, $85,000, making a total of $2,279,883.

The revenue for 1922-23, as set forth in his last budget, was $10,073,043.76, leaving a resulting deficit of $1,538,800 for the period.

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Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
Toronto 364 University Street New York
Royal Bank Bldg. Montreal Equitable Bldg.

Dominion Textile Company
LIMITED
Manufacturers of
COTTON FABRIC
MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

FEDERAL FIGURES OF CROP ACREAGE SPOIL ESTIMATES

Impossible to Reach Definite Idea of the Yield

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG.—On the second day of September, 1922, the Manitoba Free Press published its official crop estimate for the year 1922, placing the yield of wheat for the three prairie provinces at 371,901,000 bushels, based on the Dominion Government acreage of 21,471,000 acres, but safeguarding the estimate in the following words:

"With regard to acreages, the Free Press, as in former years, has taken the various acreages issued by the Dominion Government as of July 1. These should be more accurate than in the past owing to the very recent census, but while the Free Press has used these acreages as the only official ones available, it wishes to draw the attention of its readers to the fact that it does not believe that these acreages are at all as accurate as they should be. There is little doubt in the minds of those who have covered the provinces carefully that the wheat acreage in Manitoba is too small while that of Saskatchewan and Alberta is very considerably too high."

Late in the year and again in its final estimate of the crop of 1922 the Dominion Government lowered the acreage from 21,471,000 to 21,223,448, a decrease of 248,000 acres. The Saskatchewan acreage was decreased 458,000 acres, that of Manitoba, already believed too low, was further reduced 113,444 acres, while that of Alberta, already regarded as too high, was raised 503,595 acres.

Accepting these acreages as official, the Free Press total estimate of average of yield per acre for each province would be reduced to 365,496,757 bushels.

The crop year of 1922-23 closed officially on August 31, but wheat of the old crop continued to be inspected up to September 15. So far as authentic figures can be obtained the outturn is as follows:

Wheat inspected from September 1, 1922, to August 31, 1923, 302,990,714; crop of 1922 inspected in August, 1922, 4,198,575; crop of 1922 inspected from September 1 to 15, 1923, 326,120; total inspected, 307,515,409. Reserved for seeding 21,662,960 acres in 1923, 43,325,920; milled uninspected, 6,0000,000 still in farmers' hands shipped by wagon to American side and milled by gristing, say 3,000,000. Total out-turn, 359,841,329.

Explanatory—It has been the practice of the Free Press to query all mills in Western Canada as to what milled but not inspected. In view of the fact that for several years the amounts reported by mills that did report has been very consistently around 6,000,000 bushels, generally a little more, that figure has been taken this year as approximately correct, in order to save time, as it takes from a month to six weeks to secure these returns. The arbitrary figure, 3,000,000 bushels, for wheat still in farmers' hands, or that has been shipped across the line in wagons, or that has been ground in gristing mills which never report, is surely conservative. Travelling through the country the commercial and agricultural editor has found that the practice of gristing is on the increase, especially in mills in foreign districts.

The amount that crossed the line last year was probably not so large as it has been in other years, but it is surprising the amount that does slip that way in spite of tariffs and things. There is always some wheat left on practically every farm in the prairie provinces and the prices in 1922-23 were not so tempting as to draw out the last bushel by any means.

It is quite probable that if every bushel of wheat that was produced could be accounted for several million bushels more might be added, but these figures are near enough for practical purposes.

By provinces—It has not been possible to get the actual returns by provinces as closely as could be wished. The increasing inter-provincial trade may have something to do with this.

The Railroad Loadings

The railway loadings, however, while they no doubt contain some overlapping, perhaps give a fair idea of the distribution of the crop. In each case, of course, there would be the additional amounts reserved for seed and feed, milled without coming to elevators, etc.

The railway loadings show—Manitoba, 70,712,786 bushels; Saskatchewan, 167,723,791 bushels; Alberta, 69,225,750 bushels. Total 307,662,327 bushels.

The Free Press estimate as made on September second on the then issued Dominion Government acreage, was within 12,059,661 bushels of the actual crop. It was that amount too high. On the basis of the amended acreage and taking the Free Press averages of yield per acre the estimate was only 5,655,418 bushels too high.

Up to Government

It is a matter greatly to be regretted that it seems impossible for the Dominion Government to issue an accurate estimate of acreage reasonably early in the crop growing season. The Dominion Government is the only body with authority and machinery to secure this information and it should be possible to secure what would be within a few thousand at least of actual acres. Changes of nearly half a million acres in a single province seem unpardonable. The same trouble may occur again this year. Some of those making estimates have chosen to make estimates of acreages also, but it is difficult to understand how these can be any more accurate than those of the government.

The government secures the information as to acreage through the schools. In the northern section of the three provinces is to be found the largest increase in acreages from year to year and in these districts there is a very large percentage of schools where the children are the children of non-English speaking parents it is very unlikely that the full accurate detailed information can be obtained in this way. The information as to acreages should come from the assessment returns or some such official source.

In the north this season there was an exceptionally large increase in wheat acreages. The low price of coarse grains in the past two years induced many settlers to plant more wheat in the hope of larger returns. It is questionable whether this fact has been taken into account.

It is quite possible by wide travelling and careful observation to arrive at a reasonably close estimate of the average of yield per acre, but it is not possible excepting through uniform machinery to arrive at an accurate estimate of acreage.

Accuracy in this matter is of very great importance and cannot be too strongly urged upon the Dominion Government. It is quite certain that since the Dominion Government undertook the responsibility of issuing the acreages they have not been as nearly correct as when the work was done by the provinces and it might be a part of wisdom to have this work returned to the provinces.

ADJUSTMENT IN SHOWN ASSETS OF GREAT WEST LOAN

Ontario Registrar Will Not Accept Values Given

In presenting the annual financial statement of the Great West Permanent Loan Co., as submitted by the directors, in his annual report on Loan and Trust Corporations, V. Evan Gray, registrar of the loan corporations for Ontario, makes some important adjustments in the assets. These are of interest in view of the writing down by Superintendent G. D. Finlayson, of the Federal department, to which reference has already been made, and the reorganization plan announced last week.

The company's balance sheet shows loans secured by stocks, bonds and other collateral, at $101,412, whereas the market value of the securities pledged, according to Mr. Gray, is $50,117. The book value of stocks owned is given at $183,273, whereas Mr. Gray says that the market value of these stocks is $117,550. Cash on deposit elsewhere than in banks is given at $637,998. This is evidently money which has been placed with the associated trust company. Mr. Gray states that at the time of going to press this amount had been reduced to $79,822, the balance being the major portion of an advance on the security of a second mortgage through the special holding company formed in connection with the Marlborough Hotel.

In the recapitulation of loans secured by mortgages under which legal proceedings have been taken and are still unsettled, including loans where mortgagee is in possession, are given at $249,866, increased by interest due and unpaid to $441,063, and, according to Mr. Gray, this item does not include the Marlborough Hotel property, in which case a special holding company was incorporated, but which in the opinion of the department is in substance, though not in form, a case of a mortgagee in possession.

The total interest due and unpaid on loans secured by mortgages and lands is given at $294,077, but this column does not include interest capitalized, which amounts to $424,146.

It will thus be seen that Mr. Gray has reduced the company's assets on three items by $675,195, pointing out at the same time that interest overdue by six months and more actualiy amounts to $718,227.

MacKay Edgar's Firm Being Aided by Bank

Considerable talk of a receiver, in fact a resolution calling for one, was presented to shareholders, following the disclosure of the serious position of Workman, Clark & Co. Ltd., of London. This is the big concern which Sir Mackay Edgar, formerly of Montreal, is associated with. Only the determination of the trustees' committee that they would not be beaten caused the dropping of the receivership idea. Another interested party declared he would set up a test case and sift what seemed to be a public scandal. The modification of the trust deed was approved by the shareholders and a bank has come to the temporary rescue with £300,000.

GREAT WEST LOAN BOARD IS OUT TO RETAIN CONTROL

Spirited Contest Has Been Started In Winnipeg

From Our Own Correspondent.

WINNIPEG.—An interesting contest for the control of the Great West Permanent Loan Company, the Canadian National Fire Insurance Company and the Imperial Canadian Trust Company has been started by the reorganization proposals of W. W. Evans, head of Canadian and General Securities, Limited, and associates, backed by a strong advisory board of representative business men of the city. Opinion in the financial and business community seems to be pretty well reflected by Canadian Finance, which says:

> The position of these three companies has been unsatisfactory for some time. The last stock market quotations on their shares indicate the confidence of the public in the present management is severly shaken.
>
> Canadian Finance believes the successful flotation of the holding company will stop the downward trend in the affairs of the Great West Permanent group will open an avenue for these companies to make a recovery and to take a useful position in the financial fields of Western Canada. It paves the way to a house-cleaning long overdue and will give the shareholders greater protection for their assets which have been placed in a precarious position. The men behind the reorganization plan are business leaders in the west and have worked out the scheme in a fair-minded and equitable manner. Shareholders would be well advised to give their complete endorsement to this step which is being taken in an effort to place these three western financial institutions under a more stable and business-like administration.

Seven Winnipeg directors of the Great West Permanent Loan Co., Canada National Fire Insurance Co. and the Imperial Canadian Trust Co. have issued a strong appeal to the shareholders to "put on your guard against any fake scheme or any attempt to take from you your stock for something which will restrict your right to control your own business." This appeal is specifically designed to offset the progress of Shareholders Securities, Ltd., the company whose formation was outlined in THE FINANCIAL POST last week. In protesting this attempt to wrest stock control, the subscribing Winnipeg directors of the three companies make the following announcement:

> "We are glad to inform you that since recent government inspection at least two of the principal assets of the loan company have so substantially improved in value as to entirely change the situation.
>
> "It is true that the Superintendent of Insurance did write down some of our securities. The principal deductions were for the Marlborough Hotel property, an amount on real estate required by foreclosure and mortgage covering Mennonite farm lands.
>
> "We are satisfied that on fair and proper valuations these deductions would not have been made.
>
> "Since the recent inspection the court has decided that our mortgages on the Mennonite lands must stand and has given costs in our favor. The amount of these mortgages is about a quarter of a million dollars which the Superintendent has written off, but must now allow.
>
> "As to the Marlborough Hotel property, and the real estate acquired by foreclosure, we are confident that these assets will eventually be disposed of at a price which will be entirely satisfactory to the companies."

GERMANY BUYING CANADIAN FLOUR

From Our Own Correspondent.

OTTAWA.—Next to the United Kingdom, Germany was the most important purchaser of wheat flour from Canada during August, having taken 124,850 barrels, shipments to the United Kingdom having been 194,036 barrels. That is to say Germany took nearly 20 per cent. of all the flour exported during the month.

ONTARIO

SALE OF TIMBER

Tenders will be received by the undersigned up to and including Monday, Oct. 8, 1923, for the right to cut the timber in the township of Irish, in the district of Algoma, part of which has been damaged by fire.

Further information may be obtained upon application to the undersigned or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ont.

JAMES LYONS, Minister of Lands and Forests.

Toronto, September 14, 1923.

N.B.—No unauthorized publication of this notice will be paid for.

Alberta's 1923 Crop Estimate is Double Figures of 1922 Harvest

The remarkable increase in the wheat crop of Alberta this year as compared with last year is evidenced by the actual production figures of 1922 and the estimate of the Winnipeg Free Press for 1923 as recently published in THE FINANCIAL POST. It will be noted that in all grain crops the Alberta figures show a material increase, wheat, oats and barley being more than double 1922.

Saskatchewan shows fair increases in all but rye, while Manitoba shows a slight advance in barley and a big jump in flax. Wheat, oats and rye are lower.

The figures:

		Man.	Sask.	Alta.
Wheat	1922	60,051	250,167	64,976
	1923	35,000	268,600	148,900
Oats	1922	74,433	179,708	35,519
	1923	73,400	211,900	101,500
Barley	1922	28,863	18,511	6,238
	1923	28,900	19,200	13,400
Rye	1922	7,078	16,164	6,187
	1923	5,100	11,300	7,900
Flax	1922	734	4,079	88
	1923	1,400	5,500	200

Saskatoon School District Debentures

TENDERS will be received by the undersigned up to evening of Tuesday, October 16th, for purchase of $30,000 Saskatoon School District Debentures, repayable thirty years, sinking fund, interest at 6 per cent. payable half-yearly. Tenderers to bid (1) on payment at Saskatoon, Toronto, Montreal and New York, and (2) Saskatoon, Toronto and Montreal only, at holder's option.

Saskatoon Funds and Delivery; no tender necessarily accepted.

WILLIAM P. BATE,
Secretary Saskatoon S.D.,
321 21st St. E., Saskatoon, Sask.

CREDIT-CANADA, LIMITEE

DIVIDEND AND BONUS

NOTICE IS HEREBY GIVEN that a dividend of 2 per cent., being at the rate of 8 per cent. per annum, on the paid-up Preferred Stock of this institution, and a BONUS of 10 per cent. in Common Stock of Asbestos Mines, Limited, has been declared for the current quarter, payable on and after Saturday, September 15, next, to shareholders of record August 31, 1923.

By Order of the Board,
LUC ROCHEFORT,
General Manager.
Montreal, September 8, 1923.

The Steel Company of Canada, Limited

Preference Dividend No. 49.

NOTICE IS HEREBY GIVEN THAT A dividend of one and three-quarters per cent. on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending September 30th, 1923.

Ordinary Dividend No. 27.

NOTICE IS ALSO GIVEN THAT A DIVIDEND of one and three-quarters per cent. on the issued and fully paid Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1923.

The above dividends are payable November 1st, 1923, to shareholders of record at close of business, October 5th, 1923.

By order of the Board,
H. H. CHAMP, Treasurer.
Hamilton, Ontario, September 24th, 1923.

THE CANADIAN BANK OF COMMERCE

NOTICE is hereby given that a special general meeting of the shareholders of The Canadian Bank of Commerce will be held at the Head Office of The Canadian Bank of Commerce at 23-25 King Street West, in the City of Toronto, Ontario, on Wednesday, the 21st day of November, 1923, at the hour of twelve o'clock, noon, for the purpose of submission to the said shareholders of an agreement for the sale by the Bank of Hamilton to The Canadian Bank of Commerce and for the purchase by The Canadian Bank of Commerce from the Bank of Hamilton of the whole of the assets of the Bank of Hamilton upon the terms set out in such agreement, and for the purpose of considering such agreement, and for the purpose, if thought fit, of approving of the same.

By Order.
JOHN AIRD,
General Manager.
Toronto, the 26th day of September, 1923.

DOMINION COAL COMPANY LIMITED

Notice of
NUMBER 72.
PREFERRED STOCK DIVIDEND

A QUARTERLY DIVIDEND OF ONE AND three-quarters per cent. on the Preferred Stock of the Dominion Coal Company, Limited, has been declared payable 1st November, 1923, to shareholders of record on 12th October, 1923.

By order of the Board of Directors.
C. S. CAMERON,
Secretary.
Montreal, 19th September, 1923.

Howard Smith Paper Mills, Limited

COMMON DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1½% on the Common stock (being at rate of 6% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 30th day of September, 1923, payable on the 20th day of October, 1923, to Shareholders of record at the close of business on the 10th day of October, 1923.

By order of the Board.
HAROLD CRABTREE,
Secretary.
Montreal, September 24, 1923.

Howard Smith Paper Mills, Limited

PREFERRED DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 2% on the Preferred Stock (being at the rate of 8% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 30th day of September, 1923, payable on the 20th day of October, 1923, to Shareholders of record at the close of business on the 10th day of October, 1923.

By order of the Board.
HAROLD CRABTREE,
Secretary.
Montreal, September 24, 1923.

Woods Manufacturing Company, Limited

Preferred Stock Dividend Notice

THE regular quarterly dividend of one and three-quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending September 30th, 1923, has been declared payable October 2nd, 1923, to shareholders of record September 29th, 1923.

By Order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, September 22nd, 1923.

BABAYAN'S Limited
KING AND VICTORIA STS., TORONTO
Canada's Largest Importers of
ORIENTAL RUGS
We carry extra large size rugs suitable for Board Rooms, Banks and Private Offices
Rugs cleaned by our native experts

Application For City Comptroller

CITY OF VICTORIA, B.C.

APPLICATIONS for the position of City Comptroller are invited stating qualifications and experience, also salary required. Application to be in the hands of the City Clerk on or before Monday, October 8th, 1923.

The duties of the City Comptroller will require managerial experience in addition to accountancy qualifications.

E. W. BRADLEY, City Clerk,
City Hall,
Victoria, B.C.

Provincial Paper Mil l Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

All payable on October 1st, 1923, to Shareholders of record as at close of business, September 15th, 1923.

(Signed) S. F. DUNCAN,
Treasurer.

Interprovincial Brick Company of Canada, Limited

COMMON DIVIDEND

NOTICE IS HEREBY GIVEN that a dividend of 1½% (one and one-half per cent.) on the common stock of Interprovincial Brick Company of Canada, Limited, has been declared, payable September 29th, to Shareholders of record September 26th, 1923.

By Order of the Board,
A. M. MARSHALL,
Secretary-Treasurer.
Montreal, September 19, 1923.

Interprovincial Brick Company of Canada, Limited

PREFERRED DIVIDEND NO. 37

NOTICE IS HEREBY GIVEN that a dividend of 1¾% (one and three-quarters per cent.) on the preferred stock of Interprovincial Brick Company of Canada, Limited, has been declared for the quarter ending September 30th, payable September 29th, to Shareholders of record September 26th, 1923.

By order of the Board,
A. M. MARSHALL,
Secretary-Treasurer.
Montreal, September 19, 1923.

Interprovincial Clay Products Limited

PREFERRED DIVIDEND NO. 11

NOTICE IS HEREBY GIVEN that a dividend of 2% (two per cent.) on the preferred stock of Interprovincial Clay Products, Limited, has been declared for the quarter ending September 30th, payable September 29th, to Shareholders of record September 26th, 1923.

By Order of the Board,
A. M. MARSHALL,
Secretary-Treasurer.
Montreal, September 19, 1923.

Atlas Brick Company Limited

PREFERRED DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that a dividend of 2% (two per cent.) on the preferred stock of Atlas Brick Company, Limited, has been declared for the quarter ending Septemper 30th, 1923, payable October 15th, to Shareholders of record September 29th, 1923.

By Order of the Board,
K. G. WILLIAMSON,
Secretary-Treasurer.
Montreal, September 19, 1923.

Belgo Canadian Paper Company, Limited

Preferred Shareholders' Dividend No. 1

NOTICE IS HEREBY GIVEN that a Dividend of 1¾% for the three months ending September 30th, 1923, being at the rate of 7% per annum on the paid-up Preferred Stock of this Company has been declared, and that same will be paid on the 15th day of October next to Shareholders on record at the close of business September 30th, 1923.

A. DEHAUFFE,
Secretary-Treasurer.
Montreal, September 18th, 1923.

Tenders Wanted

TENDERS will be received by the undersigned up till noon of WEDNESDAY, the 3rd day of OCTOBER, 1923, for the purchase of $75,000.00 of debentures of the Board of Trustees of the Roman Catholic Separate Schools for the City of Brantford.

The following are the particulars: Debentures dated 1st day of July, 1923, with interest coupons at 5½% payable half-yearly from the 1st July, 1923.

Principal is payable as follows: 1924, $1,000; 1925, $1,100, 1926, $1,100; 1927, $1,200; 1928, $1,300; 1929, $1,400; 1930, $1,400; 1931, $1,500; 1932, $1,600; 1933, $1,700; 1934, $1,800; 1935, $1,900; 1936, $2,000; 1937, $2,100; 1938, $2,200; 1939, $2,300; 1940, $2,400; 1941, $2,600; 1942, $2,700; 1943, $2,900; 1944, $3,000; 1945, $3,200; 1946, $3,400; 1947, $3,500; 1948, $3,700; 1949, $3,900; 1950, $4,200; 1951, $4,400; 1952, $4,600; 1953, $4,900.

Debentures will be for $1,000.00 each and odd hundreds.

Present debenture debt of the School Board, $51,860.11.

Assessment, $1,401,805.00.

Further particulars may be had from the undersigned.

DATED the 14th day of September, 1923.

JOHN KEW (Treasurer),
7 Cayuga Street,
Brantford, Ont.

Dominion Textile Company, LIMITED

NOTICE OF DIVIDEND

A DIVIDEND of One Dollar ($1) per share on the Common Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th September, 1923, payable October 1st to shareholders of record September 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, September 5th, 1923.

Wabasso Cotton Co. Ltd.

DIVIDEND No. 23

NOTICE IS HEREBY GIVEN that a quarterly dividend of $1.00 (one dollar) per share has been declared on the capital stock of the Company for the quarter ending September 30th, 1923, payable October 2nd, 1923, to shareholders of record at the close of business on the 14th of September.

By order of the Board.
JAMES R. RITCHIE,
Secretary-Treasurer,
Three Rivers, Que.

THE MOLSONS BANK

172nd DIVIDEND

THE Shareholders of the Molsons Bank are hereby notified that a Dividend of THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT

to Shareholders of record on 15th September, 1923.

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at its banking house, in this city, on MONDAY, the 5th of NOVEMBER next, at three o'clock in the afternoon.

By the order of the Board.
EDWARD C. PRATT,
General Manager.
Montreal, 21st August, 1923.

PENMANS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the following Dividends have been declared this day for the quarter ending 31st day of October, 1923.

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of November to Shareholders of record of the 20th day of October, 1923.

On the Common Stock, 2 per cent. payable on the 15th day of November to Shareholders of record of the 5th day of November.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1923, to shareholders of record of the 20th September, 1923.

By Order of the Board.
C. A. BOGERT,
General Mgr.
Toronto, 23rd August, 1923.

NIPISSING MINES CO. LTD.

HEAD OFFICE, TORONTO, CANADA.

Sept. 19, 1923.

THE Board of Directors has today declare a Quarterly Dividend of THREE PE CENT. and THREE PER CENT. EXTRA, pa able October 20, 1923, to shareholders of re ord, September 29, 1923. Transfer books cl September 29, 1923, and re-open October 1923. P. C. PFEIFFER, Treasurer

GOVERNMENT HAS FULL POWER TO IMPOSE EMBARGO

But Opposing Faction Will Try to Make Case

UP TO COMMISSION

Government Will in All Probability Form its Policy in Accordance with Report After Inquiry

From Our Own Correspondent

OTTAWA.—There is nothing new in the pulp wood export situation. Rumors to the effect that the government has decided to do this or that may be dismissed as mere guesses. The government has not yet decided on a line of action, nor can a decision very well be arrived at for some months, until, at least, the commission, now conducting an inquiry, reports.

The commission has been rather slow in getting under way, due more than anything else to the circumstance that Secretary Finlayson has been tied up with the Imperial forestry experts, who have been traveling through the land. But the first session has been held, organization has been completed; arrangements are now being made for the hearing of expert testimony, and the next sitting will be held at Halifax on October 2. It is unlikely that this will be of very great importance from the standpoint of the general situation, unless it happens that opponents of the proposed embargo may take this the first opportunity to state their objection. Nova Scotia is a very minor factor in the Canadian pulp and paper situation, not nearly as important as New Brunswick is, and it is understood that some of the latter interests will oppose the embargo.

Some persons apparently have a very erroneous impression of powers conferred on the government with respect to the placing of an embargo on exports of pulp wood. Some apparently think that the British government has given the Canadian government power to act, according to its discretion. Such an impression is quite erroneous, for this being a matter coming under trade and commerce the Canadian authorities have full liberty of action on their own initiative. The government's authority to act comes from the legislation of last session, by which the Canadian parliament conferred on the governor-in-council power to place such an embargo if considered desirable. This is all the authority that the governor-in-council, or government, required.

The situation, as respects what the government may or may not do, is this: Mr. Barnjum and other ardent advocates of an embargo are convinced that the case for it is conclusive, and they see no reason for an enquiry. Indeed, they view it with apparent distrust, thinking that it may delay action. In the opinion of the government the case for an embargo cannot yet be considered proven, and it is up to its advocates to convince the commission.

If they succeed, and the latter reports in favor of an embargo, it is probable that the government will declare one. At the same time it may as well be realized that the embargo advocates have quite a job on their hands, for the opposition of Premier Taschereau of Quebec, of certain Federal Liberals from Quebec, and of the Progressives, is to be reckoned with. Just now it looks as though the case for an embargo would be narrowed down from the general argument for it on the ground of promoting the conservation of forest resources, to that of giving a strong impetus to the manufacture of wood into pulp and paper at home.

This is what the situation looks like just now. It may take on a change as time goes on, for it has changed during the last six months. For the present the Americans have apparently got over the scare, and as they have immense interests at stake, and find it desirable to have the best line of information possible, they, no doubt, have good reason for feeling more secure for a season, at least, than they had a few months ago.

HARD TIMES MAKE BETTER FARMERS

Less Credit Means Smaller Farms and Methods Which Produce Sure Crops

From Our Own Correspondent

CALGARY.—Hard-headed thinkers say hard times are producing a better class of farmers—men who do not ask credit as they did in the past—and, as a consequence, there are fewer wholesale and retail businesses running on a credit basis. The head of a large business house, who has lately made a tour of the province, declares that many farmers are working a half-section of land, instead of two or three as in the past. This makes them less inclined to speculate and more willing to transact business on a cash basis, because they are not attempting the impossible. Moreover, small farms make far better farming.

There are 90,000,000 acres of arable land in Alberta, and there is less than 10 per cent. of it under cultivation, so this taking up smaller holders is not a matter of necessity, but of common sense. A half section of land will support a man, his wife and three children well, if properly cultivated, while two or three people have been known to farm badly on three, or even four, sections, cultivated as some speculators have attempted in the past.

The Ruhr and Its Consequences

By JAMES MAVOR, Ph. D.

The German Government has ceased to support passive resistance in the Ruhr. What then? Has the policy of France been successful? In answering this question, the first point is, what was the policy of France? Was it intended to bring pressure upon Germany to pay reparations in the same manner as the occupation of French territory in 1871 by Germany was intended to bring pressure upon France to pay the French indemnity? Or, was the policy of France directed to the end that Germany should be deprived of the means of paying reparations and therefore would be obliged to acquiesce in continued occupation of the Ruhr by France? Or was the policy of France directed toward the creation of such a political and economical situation in Germany that government by a central authority of the various provinces of which the new Germany is composed would become impossible and that Germany must be broken into the fragments out of which the former German Federation and later the German Empire were compounded?

France's Success Not Yet Certain

In none of these senses can the policy of France as yet be held to be successful. It still remains for the future to determine in what measure Germany will or can pay and whether the Reich will be dissolved into independent states.

It may be that Germany deserves to be deprived of the Ruhr; it may be that she deserves to have her economical system smashed; it may be that she deserves to be broken in pieces. Yet none of these consequences can take place without serious reactions upon all other countries, including France and Belgium.

The economical prosperity of Germany under the Empire is unquestioned. Not less so is the economical prosperity which was induced by Germany especially in Belgium and Holland. Before the vigorous movement of German external commerce, the docks of Rotterdam and Antwerp were antiquated and almost idle; after that movement began, both enjoyed an unprecedented maritime trade, and both grew from medieval cities into great modern seaports. France also enjoyed, although not in the same proportion, the advantage of the increased capacity for consumption of Central Europe. During the same period, the trade between the British Empire, including Canada, and Germany expanded enormously.

Labor the Chief Difficulty

Between the close of the Franco-Prussian War and the outbreak of the Great War, two great countries became industrialized and the vigorous trade movement induced by their industrialization diffused greatly increased well-being throughout the world. These countries were Germany and the United States, both of them undergoing at the commencement of the period reconstruction after the strain, in both instances, of victorious war.

What must be the effects upon the commercial nations of the cutting off from Germany by France of the chief industrial region of Germany?

1. Can France maintain the quantity and standard of production previously maintained by Germany? It is clear that if France does not do so, there must be a net decline in production and therefore a net decline in general well-being. Up till the present time, the population of France has exhibited no tendency to expand. It is possible that under the influence of increased demand for French labor, skilled and unskilled, the population may expand, but this influence is slow in its effective action. Meanwhile, France has been unable to provide from its own resources either the manual or the organizing labor necessary to carry on the industries she has acquired from Germany in Lorraine, the Saar and the Ruhr. Belgium has supplied, at great inconvenience to herself, some of the labor; so have Poland and Italy. The great exodus of Germans from Lorraine necessitated immediate industrial recruiting on the part of France. The expulsion of Germans from the Ruhr and the Saar was impossible without simply closing the industrial establishments. Yet Germans can only now be retained in these regions by the payment of relatively high wages. The magnitude of these wages must of course depend upon the rates prevailing in other contiguous markets. It may well be that the inevitably increased cost of labor due to various causes affecting the supply of it in the occupied areas will have as one of its consequences the elimination of net proceeds for reparation payments.

2. Can Germany maintain the equilibrium of its industrial life after the elimination of Lorraine, the Saar, the Ruhr and Upper Silesia from her industrial system, and can she maintain it after the separation of Bavaria from the Reich, not to speak of other separations which might readily follow?

German Government's Dilemma

It is necessary to remember that, while after the fall of the Napoleonic Dynasty, France was able to overcome the communist revolt to establish a stable government, and thus to organize her finances in such a way that in an incredibly short time she was able to pay the indemnity. Germany was in no such position. Although the disorder of her finances at the conclusion of the war was great enough to require in any case some time for reorganization, the process has been retarded by the fact that after the collapse of the Hohenzollerns the government which succeeded found itself in precisely the same dilemma as the provisional government in Russia. The socialist elements in the government in both cases demanded increased state expenditures, levies upon capital and the like—all leading to orgies of state extravagance and to further disturbance of the economic equilibrium. The political state of Germany at the close of the war rendered reparation payments on the required scale impossible. In order to effect reparation payments, reorganization of economic life was indispensable, and under the influence of social democracy this reorganization could not even be commenced.

From an economical point of view Germany has now only three courses; first, to absorb a large part of her industrialized population into state enterprises, second to permit her artisans to go upon the land, and third, to encourage emigration. All of these courses are fatal to industrial development. Two of them have decisive limits. All the industrial population cannot be employed either in state enterprises or upon the land, the latter being over a great part of Germany deficient in fertility.

German Break-up Would Affect Whole World

From a political point of view, the breaking up of the German system must have consequences even more serious than the breaking up of the Russian and Austro-Hungarian systems. Imperialism may have its evils, but the sudden reversal of any system may have a crushing effect upon all surrounding systems. A political change in Germany, whether or not it is accompanied by dissolution of the Reich, may have one or other of two forms. It may be in the direction of a monarchial regime, with as intermediate phase a military dictatorship, or in the direction of a "dictatorship of the proletariat." In either case, political, social and economic progress would necessarily be compromised throughout Central Europe and scarcely less so throughout the world for a generation or more.

The effect upon France can scarcely be otherwise than unfavorable. Either a monarchical or a communist revolution in Germany must inevitably result in the tearing up of the Treaty of Versailles and therefore in repudiation of Germany's obligations under it. If the German attitude involves temporary abandonment of the Ruhr, followed by armament, is France prepared to occupy Germany? What would be her position if she found her armies surrounded by a hostile population, refusing to work or to offer supplies? What would be the attitude of the French peasantry who would be called upon to provide conscripts, and of the French bourgeoisie who would have to furnish the money? What would be the attitude of the revolutionary French proletariat?

Canada and U. S. Cannot Escape Evil Effects

So long as the Soviet controls Russia, with or without any administrative success, there is unquestionably great danger in inviting disturbance in any country in Europe. The Russian danger lay in the mass movement of illiterate peasants and workingmen and in the ease with which these could be guided into mere destruction of the means of life. The same danger threatens Central and Western Europe.

Further deterioration of economic life in Europe must have unfavorable reactions upon the rest of the world. The United States and Canada cannot escape. No matter how bountiful may be the crops, the exchange value of these must decline, if there is further depreciation of purchasing power in what were formerly largely consuming countries.

France has now one safe course and one only. She can give Germany time and even assistance if necessary to save her from a kind of bankruptcy which might bring every other nation to the verge of liquidation.

Gross earnings of the Canadian Pacific Railway for the week ending Sept. 21, amounting to $4,021,000 showed a decline of $269,000 as compared with the corresponding period in 1922. The total from Jan. 1, to Sept. 21, at $119,775,000 showed an increase of $5,122,000 over the previous year.

Supervision Would Prevent Failures Says This Banker

What is really wanted to improve the Canadian banking system is a close, fearless supervision of the liabilities of customers of the banks so that accumulation is impossible, declares a well-known American banker who for years was in the service of one of the largest Canadian banks and who is now completing over fifty years of banking experience with a successful bank in the United States. "Frozen loans are full sisters to bad debts," he observes, "and bad debts mothers to failure. Neither is it merely the figures—but what is behind them. The figures may balance beautifully but the real question is what do they represent?" His views regarding government inspection of banks are outlined as follows:

First: That, so far as the United States is concerned, government inspection is a good thing.

Second: And since I have thoroughly understood the matter, it would, in my mind, be a thoroughly good thing for Canada.

Third: I have been frequently met with: "Oh, but our system in Canada is so different," and my reply always has been: "It doesn't make any difference, all you have to do is to make the details fit in."

Fourth: The bank's own inspection department is all right and must be continued, provided it has an absolutely independent man, who "has the courage of his convictions"—who never takes the "road of least resistance"—and who, were there anything wrong, and he could not get a hearing from the president or general manager, would not hesitate to go to the board. Had this been done, you would not have had the history that now exists concerning—The Merchants, the Union, the Standard, possibly the Bank of Hamilton and the Home.

Fifth: Unless there is or was some secret history of which I do not know anything, I am inclined to state positively that if Canada had had government inspection, of the kind to which I refer, these banks could not have gotten into the "locked up" condition they were in, because liabilities are examined, and the reports must be read to the board, answered "in extenso" and the statement made in writing, over the signiture of the chairman of the board, that this has been done; from this you will at once see, that enormous brokerage account of the Merchants could not have been continued for the many years it did, and all their troubles really rested on that fact, that those who did know were afraid to tell and hence the mischief.

Sixth: In nine cases out of ten, things go wrong owing to the gradual accumulation of "frozen loans." Banks do not, as a rule, fail because of stealing—they do fail, as a rule, from being "locked up" and becoming so "hard and fast" that it is difficult if not impossible to dig out any liquid assets to meet emergencies.

Seventh: What is mainly wanted beyond everything else is, from the head office especially, and each and every branch, a complete and properly detailed list of loans—not only those made since the last list had been furnished, but also columns showing the total borrowings—direct and indirect of each name.

Eighth: These lists should be certified to as having been examined and found correct by the manager and countersigned to the same effect, by the sub-manager or accountant, and sent direct to the chief inspector with duplicates also direct to the government accountant who may have the examination in charge.

Ninth: Such lists should be read to the board at stated periods or at least every name where the liability exceeds a certain sum.

Tenth. One of the great drawbacks in Canadian banking, is the "Holy Reverence" with which the "general manager" is regarded, and for that matter demands: now, in the cases I mentioned in paragraph four (4), if more courage had prevailed, and when those officers who had informed the general manager, found that he did not take action, had gone to the board, much might have been saved.

HARVEST HANDS TO BECOME SETTLERS

Most of British Immigrants Are Making Good in the West

From Our Own Correspondent.

SASKATOON.—A conference of boards of trade officials, representatives of the federal and provincial governments, farmer organizations, was held here for the purpose of retaining in the province as many as possible of the 11,383 immigrant harvesters who came to Canada from the old country. In the opinion of Captain G. M. Dix, superintendent of agriculture and welfare, Canada Colonization Association, it should be possible to keep at least 5,000 of the visitors in the prairie provinces as permanent settlers. With few exceptions these immigrant harvesters have made good. Although when they began to arrive there were the usual complaints of ill-treatment, inexperience, etc., these men have on the whole done remarkably well. Many of them worked harder than they ever had before, and about five per cent. were physically incapable of giving good service, but the great majority made good in the face of new conditions and entirely unaccustomed labor.

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Order bonds of the new Dominion of Canada issue from Municipal Bankers Corporation.

20-Year Bonds	5-Year Bonds
98.25 and interest	99 and interest
yielding 5.14%	yielding 5.23%

Owners of 1923 Victory Bonds may exchange their bonds at par for the new bonds, and receive in cash in addition to the new bond $1.75 per $100 for 20-year bonds and $1.00 for 5-year bonds.

As the interest on the new bonds dates from Oct. 15 and the 1923 bond interest matures on November 1, those who exchange their old bonds for the new will receive half a month's extra interest.

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THE DOMINION BANK

Condensed Statement 31st July, 1923

LIABILITIES	
Capital Paid up	$ 6,000,000.00
Reserve Fund and Undivided Profits	7,866,182.85
Deposits by the Public	93,979,315.71
Balances due other Banks in Canada	576,450.89
Balances due Foreign Banks	2,634,570.15
Circulation	7,007,849.00
Acceptances under Letters of Credit	1,426,053.81
Bills Payable	335,983.63
Sundry Liabilities	760,657.40
	$120,587,063.44

ASSETS	
Cash on Hand	$ 9,472,691.23
Deposit with Central Gold Reserves	1,700,000.00
Cheques on other Banks	6,166,307.78
Bank Balances	1,364,079.48
Cash Assets	$18,703,078.49
Government and Municipal Debentures, Railway and other Bonds and Stocks	22,865,252.05
Call and Short Loans in Canada on Bonds and Stocks	6,657,428.54
Call and Short Loans elsewhere than in Canada	3,366,354.04
Assets Immediately Available	$51,592,113.12
Sundry Advances	60,486,279.28
Deposited with Dominion Government for Security of Note Circulation	300,000.00
Liabilities of Customers under Letters of Credit as per contra	1,426,053.81
Bank Premises	6,200,967.32
Other Assets	581,649.91
	$120,587,063.44

E. B. OSLER, President.

C. A. BOGERT, General Manager.

What the Figures in Our Statement Mean

LIABILITIES TO THE PUBLIC:		
The Dominion Bank owes to the Public—		
Deposits	$ 93,979,315.71	
Notes in Circulation	7,007,849.00	
Due to other Banks and Sundry Liabilities	5,730,248.88	
Total Liabilities to the Public		**$106,717,413.59**
AGAINST THESE LIABILITIES THE FOLLOWING ASSETS ARE HELD:		
Cash	$ 11,172,691.23	
Cheques on other Banks and deposits with other Banks	7,530,387.26	
Dominion and Provincial Government Securities	16,856,444.22	
Municipal, various Government and other first-class Securities	6,008,807.83	
Loans payable on demand (fully protected by marketable Securities)	10,023,782.58	
Immediately available Assets equal to 48% of the total Liabilities to the Public		**51,592,113.12**
Commercial Loans	60,486,279.28	
Bank Premises	6,200,967 32	
Other Assets	2,307,703.72	**68,994,950.32**
Total Assets to meet Liabilities to the Public		**$120,587,063.44**
This leaves a Surplus of		**$ 13,869,649.85**

Thus there is a margin or extra protection of $13.869,649 in the Bank's Assets over and above its Notes in Circulation, Deposits by the Public and other Liabilities. This $13,869,649 is the property of the Shareholders.

"Canadian Banker"

Desires connection with trust company, bond house or allied financial institution, where sound financial training, judgment and initiative will count and give adequate returns. Applicant is 36 years of age, married and has good record extending from coast to coast in both country and city executive positions. Nineteen years Canadian banking experience. Well educated and up to date on financial conditions. Well qualified to meet the public. At present employed as manager of good branch but desires broader scope. Replies confidential to

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Debate Laurentide and St. Maurice Merger Price

MONTREAL.—An exhaustive valuation of Laurentide and St. Maurice as a preliminary to linking up these properties is now reported under way. It seems to be accepted in market circles that if the deal goes through, St. Maurice would go in on the basis of about 150 and Laurentide 100, but one of the Laurentide insiders says the street is slightly astray in the valuation of Laurentide. The point made is that Laurentide Power is an asset worth many millions more than the average person realizes. Another opinion is that Laurentide shareholders will receive a distribution of Laurentide Power stock before the merger and in the end the valuation will work out about $125 for Laurentide and $150 for St. Maurice.

UNLISTED SECURITIES

	Bid	Ask
Alta Pac. Grain 7% pfd.	90	93
Do., com	100	107
British American Assur.	6.00	7.00
Can. Assoc. Goldfields	7	11
Can. Kirkland Gold	6	10
Canada Mortgage	64	..
Can. Westinghouse 8% c.	130	..
Continental Life	108	..
Commercial Finance pfd. 25% bonus com.	60	..
Canada Machinery, pfd.	..	40
Canadian Marconi Wireless	1.25	1½
Cockshutt Plow 7% pfd.	40½	46
Canadian Oil Co., pfd.	88	92
Do., com.	40	45
Collingwood Shpbld., com.	50	57
Cosgrave Breweries	5	6
Dom. Power & Trans., pf.	93	..
Do., com.	40	43
Dunlop Tire 7% pf.	82	85
Durant Motors of Canada	..	6½
Dominion Mfg. pf.	58	..
Dominion Linens, pfd.	69	74
Do., com.	..	50
Dom. Sewer Pipe com.	..	32
English Electric, pf.	..	60
Do., com.	..	14
Excelsior Life	51.50	..
Farmers Dairy	51.00	..
Famous Players, 7% pf., 50% com.	..	70
Gunns, Limited, 6% pfd.	..	34
Great West Life	214	..
Imperial Tobacco, com.	5½	7
Inter. Milling Co., pfd.	94	97
K. & S. Tire 7% pfd.	..	30
La Pax Oil	..	5c
Lambton Golf Club	450	500
Loew's Toronto, pf.	55	60
Do., com.	33	36
Loew's London, pfd.	5¾	..
Do., com.	2	..
Loew's Buffalo, pfd.	54	..
Do., com.	1.00	1.75
London Loan & Savings	46	51
Massey-Harris Co.	38	42
Manufacturers' Life 20% p.	55	..
N. Mexico Pwr. & Dev., c.	9	13
National Brick, pfd.	51	54
Do., com.	10	13
National Life $25 paid	50.25	..
N. Can. Pwr com.	50	65
Ont. Equit. Life (25—$10 paid)	..	25
Peoples Loan & Sav. Co.	..	63
Pantages, Hamilton 7% pf.	34	..
Do., com.	1	2
Robertson P. L. Co.	15	25
Ralph Clark Stone, com.	15	..
Simpson Robt. 6% pfd.	91½	93½
Sovereign Life	18	..
Standard Clay Prod., com.	13	..
Sun Life Assurance	140	..
Toronto Brick Co., pfd.	75	..
Trust & Guarantee	73	76
Tiger Tire (1 pfd., 2 com.)	..	20
Western Grocers 7% pfd.	..	44
Mortgage Discount Units	8	11
Western Assurance	7	8
Whalen Pulp, pfd.	..	19

SUCCESS DOUBTED OF THE PACIFIC STEEL PROJECT

Report of Business Men Says That It Is Not Sound

DEMAND NOT THERE

Argument is Advanced That There Would Not Be a Market for Product to Warrant The Investment

From Our Own Correspondent.

VICTORIA. — When the Coast Range Steel project was first launched and it was announced that the British Government was willing to financially back it if the Dominion and provincial governments would bear their share of the load, it seemed probable that all avenues of criticism would be closed.

For years there has been a popular clamor for iron and steel works on the Canadian Pacific Coast and the $15,000,000 Coast Range Steel proposition seemed like the first break of dawn across a horizon long clouded with uncertainty. A score of iron and steel schemes have been attempted in this province during the past twenty-five years, but they have all failed owing to inability to secure adequate financing, or some other cause. The Coast Range proposition, owing to the probability of government support, seemed in many ways to be the most feasible one so far suggested.

It may be that the Coast Range Steel project, being promoted by H. J. Landahl, is really the opportunity that British Columbia has long been waiting for; but within the last few days unexpected opposition to the plan has arisen. A special committee of the Victoria Chamber of Commerce has drawn up a report, condemning the project, and the report has been endorsed by the British Columbia division of the Canadian Institute of Mining and Metallurgy and several representatives of British Columbia industry such as H. S. Munro, managing director of the Granby Consolidated Mining and Smelting Company.

Not only does the opposition come from those who are opposed to the principle of direct government participation in industry, but from those who claim that the market situation at present is such as to preclude all possibility of success for a company such as proposed.

Town of Kenora Reports Small Deficit Last Year

The total debenture debt of Kenora was $1,101,183 at the end of 1922, according to the annual statement just published. There were $60,501 debentures authorized, but not sold. The sinking fund totalled $190,181, made up chiefly of 1934 Victory bonds, and town of Kenora debentures.

On the year's operation a deficit of $2,487 is shown, the total revenue being $174,539, and expenditures $177,126. The tax levy amounted to $154,458, of which $6,294 was from frontage taxes.

The assessment was $3,743,559 in 1922, and this has been increased to $3,805,480 for 1923. The tax rate this year was 44 mills. The tax arrears on Dec. 31 were $44,386.

LOAN LIMITATIONS A SOLUTION FOR LOSSES OF BANKS

(Continued from Page 1)

each bank keeps the other advised daily of the funds being advanced, and the account is shared equally. Thus there is a double check on the credit being granted and much less danger of additional advances being made after the account becomes "frozen." If, argues this banker, the banks themselves find it advisable to follow this course in certain cases why would it not be advisable to curtail commercial loans to a certain percentage of the paid-up capital of the bank.

The further argument is advanced that a limitation of loans to a percentage of the capital would prevent directors of the banks from getting too optimistic and making large advances to companies in which they are interested. It would mean that the judgment of the boards of directors of other banks would be exercised when the loans attain large proportions. Such a policy would have involved a method of checking loans which would have made it impossible for such serious losses as have been ascertained by the Home and other banks.

In outlining his suggestions for bettering the Canadian banking system in view of his experience in the United States, Mr. Deans says that, while the recent developments in Canada are regrettable, the country could not entirely escape losses after the very important part she played in the war. The fact, however, that the condition of the banks was not disclosed earlier is, in his opinion, no doubt due largely to the fact that the banks are not subject to any outside control. Believing that the statements which have been sent to Ottawa have been worthless insofar as reflecting the true condition of the bank, Mr. Deans deals with the situation as follows:

While many people oppose on general principles government control of private business, it has been generally accepted in this country as a good thing when applied to banks and trust companies. In the United States there are, as you know, two kinds of banks. One of these operates under national authority granted by the Federal Government at Washington; the other kind, the state banks, receive their charters from the governments of the states in which they carry on business.

All national and state banks in this country are periodically examined, and a full report of their condition is made by a government examiner. These examinations take place at least once a year, but are made more frequently if the examiner thinks it necessary. The banking laws of this country prohibit any bank loaning more than 10 per cent. of its paid up capital and surplus to any one borrower. Against this regulation some criticism is occasionally heard, but the law is observed and on the whole is regarded as a wise and desirable one. While it is true, no law can prevent bank failures or make good bankers out of poor ones, this and other regulatory measures, in conjunction with outside examinations, have done much to make banking safer and better in this country. Neither will government examination altogether prevent bank losses, but it does reduce them. Of recent years, in common with other large cities in the United States, Chicago has been very free from bank failures, such as have occurred having been comparatively unimportant.

About twenty years ago, however, things were very different here, and shortly after the costly failure of the Chicago National Bank it was decided by the Chicago Clearing House Association to set up its own machinery for bank examination. The Chicago experiment proved satisfactory from the first, and has since been imitated by many large cities throughout the United States.

Clearing House examination provides the most thorough and practical form of bank examination that our banks are subject to, for it is as far removed from political influence as any system could be. The chief clearing house examiner, usually an experienced banker, is careful to surround himself with the very best assistants that he can get. Each clearing house member bank is thoroughly examined at least once a year; this, of course, in addition to every form of government inspection it may also be subject to.

When the clearing house inspection is complete the examiner sends his report to the president of the bank, and at the same time writes each director that he has done so and that a copy of the report is in the hands of the president. The examiner requires a personal acknowledgment of this letter from the bank's president as well as from each director addressed, and is not satisfied with anything but an acknowledgment signed in the director's own handwriting.

Thus it becomes difficult for a director, in the event of anything happening later, to say he did not get notice or was ignorant of his bank's condition.

The clearing house banks all contribute pro rata to the cost of maintaining the examiner and his force, and every member of the Clearing House Association must submit to examination. So well is membership in the clearing house regarded by the people that the number of banks in that association has increased in the last few years by over one hundred members—indeed, it is becoming increasingly difficult for a non-clearing house bank to attract good accounts. Business men and public sentiment are rapidly compelling every bank whose condition will permit of it to join the clearing house.

At the last annual meeting of the American Bankers' Association in New York a resolution was passed recommending all cities which had clearing houses to adopt the system of clearing house examination as carried on in Chicago, and which for the past eighteen years has proved so satisfactory.

Whether our plan would be suitable to your branch system is, of course, for you to decide. My opinion is that it would, and it might be developed to a point that would go far toward preventing serious banking troubles in Canada. No doubt the large number of branch banks in Canada might complicate the situation at the start, but Canadian bankers can be safely trusted to find a way to overcome that.

While bank amalgamations have been taking place in Canada as they have in England and in this country, there is, of course, a point beyond which it is not desirable to go. No doubt your amalgamations have already resulted in reducing this large number of competing branches which are to be found all over Canada. It is very hard to understand the extraordinary number of branches, often of the same bank, to be found in some of your cities, or to see why in many small Canadian towns four or five branch banks should continue year after year, when there is plainly not enough business to keep more than two of them profitably employed.

Such competition seems to me to make credit too easy and must result in unnecessary locking of large amounts of money in bank premises. With the solidarity which exists between your banks and the experience of the past few years, however, that is something which Canadian bankers should not find difficult to correct.

History shows that most Canadian banks have been wrecked by the head office, and not by the branches, so that it would seem for the purpose under consideration if a careful examination were made by the clearing house examiners of the head office and of the branches situated in other clearing house cities that would usually include all the large and important offices of the banks, it is unlikely that any Canadian bank could under such a system become so deeply involved as to endanger its solvency without the knowledge of the clearing house examiner and the banks' directors.

Britain's Debt to the United States

By C. F. CHILDS, Chicago,
Head of the Oldest House in America, Specializing Exclusively in Government Bonds.

Britain's debt to the United States is now represented by $4,600,000,000 62-year gold bonds, exempt from all forms of British taxation, against which total, $69,000,000 interest was paid June 15 last. The bonds are dated December 15, 1922, and are due December 15, 1984. They bear interest at 3 per cent. for the first ten years and 3½ per cent. thereafter. They are payable in U. S. gold coin or gold bullion, or in any bonds of the U. S. issued after April 6, 1917. Britain possesses the option, upon not less than 90 days' notice, to pay up to one-half the interest due during the next 4½ years (to December 15, 1927), by tendering British bonds identical with those representing the principal described above. It is specified that at the request of the United States Treasury, Britain will substitute bonds bearing the same terms, suitable in form and denominations for sale to the public. Also, Britain possesses the option to postpone for two years payments of principal falling due next in order as per schedule, on condition that all payments previously postponed shall actually have been made. If not the payment may be postponed for only one year.

The next schedule of payments due December 15 is $23,000,000 in principal, and $69,000,000 in interest, and there is every reason to expect that payment, like the former one, will be completed by a tender of Liberty Bonds which will be accepted by the United States Treasury at par. The complete schedule of payments calls for gradually increasing amounts for many years after we of this generation are dead. This year Britain will have paid $161,000,000, which is about half the amount we expended on the purchase and construction of the Panama Canal, which we have not yet fully paid for. Fifteen years hence the annual amount Britain should pay us will exceed $184,000,000 and fifty years hence the annual payment called for is $185,850,000.

We doubt whether American bankers or the public at large appreciate the tremendous exertion being made by the British government to meet the obligations it incurred during the war in favor of the United States Treasury. When it is recalled that a substantial part of the money was borrowed to help purchase supplies for armies of Britain's allies, one begins to understand the full significance of the heroic effort which the British taxpayer is grimly resolved to make to sustain the honor and credit of his government.

Moreover, it should be understood that this effort is being made at a time when the British taxpayer is obliged to support in idleness a million and a quarter laboring people for whom no work can be found on account of the demoralization of European commerce. The per capita income tax in Great Britain to-day is about $83 in contrast to a per capita tax of $28 in the United States. Under these circumstances, it should cause no surprise or resentment if Britain should be obliged to take advantage of the two-year period of grace in which payments can be allowed to lapse, under the agreement.

We still regret the determination of Congress to exact full payments of loans expended in this country from which we received vast profits at a time when we could not help our allies by any other means. We have as yet received no discernible benefits from current debt payments. We are impoverishing our customers abroad who are being bled instead of fed, while the surplus products of American origin accumulate to our embarrassment. They are products which all Europe needs and could buy if we modified our demands for repayment of war debts. We venture the prediction that the American people eventually will suffer far more than they now comprehend or visualize as possible, as a result of the sinister and obscure economic forces set in play through our insistence upon payment of the Allied debts. Their modification is obviously necessary if we are to participate in the future world trade upon a satisfactory basis to ourselves.

QUEBEC'S TOURIST TRAFFIC THIS YEAR WORTH 20 MILLIONS

Minister Estimates 125,000 Crossed From the United States

MONTREAL.—Quebec derived an income of $20,000,000 from tourists this season. This is the minimum figure, in the opinion of Hon. J. L. Perron, Minister of Roads. This money was spent by tourists in the cities, towns, and rural districts, in the season.

During the first week of September a census of vehicle traffic in the province was conducted, and the minister said these figures showed that the estimate that over 125,000 autos has crossed the border from the U. S. into Quebec was not an exaggeration.

Mr. Perron uses the figures as an argument for bett[illegible]

"I hope the people will understand the great care which must be given to our roads," he said, "and the immense benefits which we are gathering already. Concurrent with the increase in the number of foreign motor vehicles visiting the province there has also been an increase to the traffic on older roads, notwithstanding the fact that the completion of new roads should have relieved many of them. It is true that large sums have to be spent on the maintenance of roads, but the revenues justify such expenditures. I may say also that the cost of their maintenance this year has reached a minimum, and on the 1st of October the highways and roads maintained by the department will have improved 100 per cent. over what they were in May last."

SOUTHERN CANADA POWER

The Southern Canada Power Co., and its subsidiaries, report gross earnings for the month of August amounting to $78,577 as compared with $71,323 for the same month in 1922, an increase of $7,254. Operating expenses at $37,643 increased by $1,600, while net amounting to $40,934, was higher by $5,654. Gross for the eleven months ending August 31, amounted to $854,585, an increase of $83,694, and net at $470,156 increased by $45,129.

TOURIST BUSINESS PAYS

QUEBEC.—A conservative estimate of the amount of money spent in this city by tourists, made by the Quebec Automobile Club, reaches $2,358,750. From the beginning of May until the first of September, 15,000 motor tourists had called for information at the offices of the Club. Taking an average of four people to each car this meant that at least 60,000 people had come to the city by automobiles. Of this number there were approximately 3,000 camping parties or 12,000 people.

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CANADA'S EXPORT SHIPMENTS REACH NEW HIGH LEVELS

Not on Basis of Values But As to Quantity of Goods

ADVERSE BALANCE

Our Imports are High Also and Balance of Trade Has Gone Against Us For Five Months

From Our Own Correspondent.

MONTREAL.—It seems from a more than casual study of the foreign trade figures of the country that the commerce of Canada is at a level to-day as high as has ever before been reached. This does not show in the figures, which indicate the value of our exports and our imports to be well below the figures of the peak years before and after the close of the war. But allowing for the difference in the level of prices, the exports and imports of to-day rank very high, and are approximately the same as in the highest years on record. Exports are greater as to the actual physical volume, it would seem.

Export Trade Much Larger

The growth in the export trade during the past two years of recovery has been so outstanding as to provide a clear answer to pessimists. Exports of Canadian produce during the first five months of the fiscal year have totalled $392,979,000, the second highest total on record. Nearly one-third of the total consisted of the products of Canadian farms. This large movement abroad of Canadian agricultural products is assured of continuance by the larger harvests now being garnered. Forest products also show up well, telling of the progress of foreign trade in lumber, pulp and paper.

Imports Growing Rapidly

The only disappointing feature is the fact that imports have grown more rapidly than exports, bringing about an unfavorable balance of trade for the five months' period. Comparative five months' figures for the past three years follow:

	Five Months Ending		
	$	$	$
	Aug. '23	Aug. '22	Aug. '21
Imports	392,979,117	303,597,326	319,009,763
Exports	386,226,799	316,640,668	277,413,949
Balance	‡6,752,318	*13,043,342	‡41,595,814

*Favorable. ‡Unfavorable.

During August the trade of the country showed a small favorable balance, exports for that month totalling $80,021,409, while imports are shown at $78,825,677. This showing compares with a favorable balance of over six millions in the corresponding month of last year.

Comparing the Figures

Following are the exports and imports for the month of August, in comparison with those of the corresponding month of the two preceding years:

	Aug. '23	Aug. '22	Aug. '21
Imports	78,825,677	$67,354,750	$6,147,301
Exports	80,021,409	73,386,199	6,485,993
Balance	*$1,195,732	*$6,031,449	‡$3,661,308

*Favorable. ‡Unfavorable.

EXPORTS FOR AUGUST 1923

	1923	1922
Agri. prod.	$23,943,061	$25,529,184
Animals, etc.	14,177,445	14,822,142
Textiles, etc.	744,136	890,956
Chemicals, etc.	1,150,636	1,143,522
Iron and steel	4,510,421	3,293,627
Other ores	5,452,877	2,623,322
Non-metals	2,306,239	2,803,062
Forests, etc.	26,301,638	21,192,741
Miscellaneous	1,433,956	1,087,643

IMPORTS FOR AUGUST, 1923

	1923	1922
Agri. prod.	$14,759,280	$14,227,803
Animals, etc.	3,627,943	3,713,308
Textiles, etc.	15,290,784	14,496,039
Chemicals, etc.	1,869,026	2,163,880
Iron and steel	16,935,517	13,534,267
Other ores	3,276,827	2,967,181
Non-metals	15,197,990	9,056,328
Forest, etc.	3,545,784	3,089,431
Miscellaneous	4,312,626	4,106,513

DROP IN PRICES IN SULPHITE MARKET

Disturbing Influence Comes Into Affairs at an Unfortunate Period

From Our Own Correspondent.

MONTREAL.—The flop in the bleached sulphite market that brought about serious price reductions is a very disturbing element as far as a number of Canadian pulp and paper companies is concerned. It is particularly discouraging coming at the time when the Riordon reorganization was being worked on. It is said that the Brown Corporation, which has a Canadian mill as well as American interests, started the cutting.

The lower prices were set in the United States, and have been met by Canadian producers. The reductions are $5 per ton in the first grade and $10 in other grades.

These are the first cuts since December, and came as a surprise to consumers and to the great majority of the sulphite mills. In the opinion of some buyers, the reduction occurred at an unfortunate period, as the paper mills had set their prices on the basis of the sulphite quotations which had been so long in force. The new list naturally had a disturbing effect, causing the revision in some instances of paper prices settled on the previous quotations of pulp. The reductions also had a certain amount of influence on the sulphite market.

Ground wood is still very firm there being a good demand for stocks. The water conditions in the Eastern States have not been favorable to free grinding, with the result that Canadian pulp has been in strong request.

Newsprint mills have not yet been affected by the new prices, and, in fact, the newsprint producers are in the strongest position of any of the pulp and paper companies.

These Banks Are Own Keepers

(Continued from Page 1)

Monday morning, but would be placed in liquidation under a receivership. Needless to say, the Clearing House banks that took over their assets and assumed their liabilities met with a heavy loss by the operation. This experience suggested the desirability of Clearing House Examinations in the interest of the associated banks and of the general public.

Worthless Statements

Clearing houses as a rule are voluntary associations established primarily for the convenience of their members in effecting their daily exchanges. In this process, however, the members have to trust each other for large amounts in the shape of daily balances payable in cash. Each bank member therefore becomes interested in the integrity of all and all in each. But beyond this, in view of the awful calamities caused by bank failures and of the fact that the failure of one clearing house bank affects the confidence of the community in all, they become vitally interested in the maintenance among themselves of conservative management and proper business methods. Hence, only such banks as can stand a satisfactory preliminary examination are admitted to membership and only those whose condition continues to be satisfactory to a duly appointed committee can enjoy clearing house privileges. Member and affiliated member banks clearing through members are required to render to this committee copies of the statements they make to the Comptroller or to the State authority.

These disclosures in connection with the failures of these three banks showed the associated banks of Chicago that statements so rendered, which up to that time had been all the Clearing House Committee had to rely upon, and which, as published, form the basis of the standing and credit of banks with the public, could not be implicitly relied upon. It was therefore unanimously resolved to adopt a system of supervision under which there would be some assurance that such conditions could never again develop in any bank connected with the Chicago Clearing House Association. There was, therefore, organized a bureau of examination in connection with the Clearing House.

A Voluntary Inspection

The strength of this bureau lies in the fact that it was thus evolved by the voluntary action of the associated banks for their individual benefit and protection. We were fully aware that external supervision under whatever authority it may be exercised does not absolutely guarantee sound and safe banking in individual cases. Honorable and intelligent initiative management can alone be relied on for the ultimate success of individual banks. But judicious and intelligent supervision in the mutual interest of all fosters and encourages conservative management in each. We further saw that it would not do to have the entire business of the individual banks disclosed to a committee made up of competitors in the business. We therefore devised the plan of appointing a competent examiner with a sufficient force of assistants to make as thorough an examination as possible of each bank at least once a year and report his findings in full detail to its directors. In this way as thorough an examination is made of each bank as would be made if the directors of their own initiative employed an outside expert to examine their banks and report to them. The examiner's complete report of each bank is sent to its president, the directors are all notified of its existence and are asked to personally peruse it and to acknowledge to the examiner the receipt of his notice. If, in the course of his examination, the examiner finds any bad debts, depreciated assets or other losses unprovided for, so that at a fair valuation the assets do not offset the liabilities, including the capital, surplus and undivided profits as shown in the balance sheet, or if he discovers any irregularities in connection with the bookkeeping or management, he reports such findings to the Clearing House Committee. The committee does not see the examiner's complete report as rendered to the directors. All that is found satisfactory is so reported to the committee without detail. If, however, conditions are so bad as to make it necessary the committee has the right to call for a copy of the complete report so that it may deal intelligently with the case, but this is only when bad business so permeates the bank as to render its condition precarious. Thus, as nothing but bad and undesirable business comes to the committee's attention, the members of it have no advantage through their position in competition with the other banks for desirable business.

How Examiners Work

Neither the examiner nor the committee is hampered with restrictive rules and regulations. The examiner simply examines and reports upon the condition of each bank as he finds it, the same as any other expert examiner would do if employed by the directors for the purpose. Anything affecting the integrity of a bank's statement as rendered under oath to the government and to the clearing house and as published is reported to the Clearing House Committee. This is the whole matter in a nutshell. We have simply established two rules applicable to all banks connected with our Clearing House Association and even these are unwritten. The first is that our statements as made and published must reveal the true conditions of our banks on the basis of their assets at a fair valuation being sufficient to offset their liabilities including capital, surplus and undivided profits. In other words, their capital, surplus and undivided profits must always be represented by the approximate value, reasonably estimated, of their assets in excess of the amount of their liabilities to the public. The second is that from an ethical standpoint the management of our banks must be honorable and straight and their records and reports reliable. The Clearing House Committee, duly elected once a year, are, with the examiner's reports to guide them, the judges as to whether the statements rendered to them by the banks five times a year are reasonably correct from the standpoint of these two unwritten rules. As already stated, we are not hampered with technical rules or regulations or even with legal definitions or interpretations. We investigate and treat all on a reasonable business basis.

Under the National Bank Act no obligation due a bank is considered bad until interest is past due six months, and not then if it is secured or in process of collection.

Our committee might find difficulty in defining a bad debt, while they could recognize one if they saw it. They might regard as a bad debt an obligation on which interest had been paid six months in advance, instead of having to wait until it is six months past due before they can so consider it. They regard the making and publishing of erroneous statements of a bank's condition as morally wrong, and, therefore, not permissible among banks associated together for their mutual benefit and protection, even if the making of such is not legally regarded as a misdemeanor. And they do not have to wait until a bank is actually insolvent in a legal sense before they can call it to time. A bank's statement must, on the basis of the examiner's report, be found reasonably accurate by the committee or it cannot continue to enjoy clearing house privileges.

Picking Weak Loans

As to the ability of an examiner to pick out and report on bad debts and depreciated assets, he soon acquires a sufficient knowledge of local conditions to enable him to do so with reasonable accuracy. He subscribes to the commercial agencies and has the entire banking fraternity with which to consult as to the standing of any obligor or as to the value of any security. The longer he is on the job the more information he acquires and the more proficient he becomes. Besides having been for several years a bank inspector myself I have had considerable experience with bank auditors and examiners and my observation is that anyone of ordinary intelligence with a bank training and with adequate sources of information at his command can very soon classify a bank's assets with reasonable accuracy.

As to the practical working of clearing house examinations in Chicago during the eleven years of their existence, I can only say that it has proved in every way most satisfactory and successful. There has been neither friction nor unpleasantness. Bank directors realize the great benefits derived and are unstinted in their praise of them. They are greatly assisted by the examiner's reports in keeping themselves informed on the condition of their banks and they readily co-operate with the Clearing House Committee in the correction or elimination of anything open to criticism. Our experience has been that the banks have almost unanimously adopted every suggestion made by the committee. I cannot of course, discuss such details as would show its efficacy. I can only say that the results have been most satisfactory to all concerned, and that much good has been accomplished for the Chicago banks individually and collectively.

The organization being entirely voluntary partakes somewhat of the nature of a gentleman's agreement, under which each bank binds itself to conduct its business under proper methods. The effectiveness of the method lies in the fact that they are all measured by the same standard, viz.: that their statements as rendered to the Clearing House Association must be satisfactory to the committee, in view of the examiner's reports upon them, otherwise they cannot continue to enjoy clearing house privileges.

In no sense, however, does the committee assume responsibility for the individual management of the banks or for the quality of all the loans current in them. This responsibility must always rest on the officers and directors of each bank.

The Committee's Responsibility

All the committee undertakes is to pass judgment, based on the examiner's report on the reasonable integrity of each bank's assets and the general reliability of its statement. In the fact that the members of the committee are posted on local credits and financial affairs lies the superior efficacy of clearing house supervision. But the committee is not omnipotent, it is only an ordinary human agency. It has no control of the initiative management of the banks under its supervision and under ordinary circumstances they are only examined once a year. The committee fully realizes the heavy responsibility laid upon it. It has no easy problem to decide as to when or what action should be taken in connection with the condition of a badly managed bank. Conditions must become bad indeed and expostulation must have been exhausted before any supervisory authority, however constituted, will assume the responsibility of action that might lead to the closing of a bank's doors. If it were otherwise and such action were taken simply because something of minor importance in the bank was considered unsatisfactory, such authority would be accused of causing a solvent bank to close and would be blamed not only by its stockholders, but by its depositors in whose behalf the action would be taken.

This does, not, however, prevent the committee from insisting that the published statements of the banks under their supervision must approximately reveal their true condition if they are to continue to enjoy clearing house privileges and this proves a sufficient determent to prevent the development of very bad conditions.

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1857	1,103,078
1862	1,395,472
1872	5,524,075
1882	7,156,661
1892	11,008,794
1902	19,181,925
1912	48,126,011
1917	61,737,340
1922	71,830,546

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Especial notice is called to the association with Col. Rogers of Major Edmund H. Birkett, E.M., an engineer ranking high in his profession and with wide Canadian and American managerial experience.

Another member of the Technical Staff of the ONTARIO NATIONAL is Mr. E. H. Orser, E.M., of Kirkland Lake. Mr. Orser's activities as Consulting Engineer and geologist are well recognized throughout the north country. In this capacity he served with the International Nickel Company for several years.

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The "Rights" of the Maritimes

Some Eastern Opinions on What They Are—Confederation Was Disastrous for Nova Scotia, Says Former Cabinet Minister—The Question of the Intercolonial Railway

From Our Own Correspondent

MONTREAL.—"Many people in the Maritime provinces nurse their grievances to keep them warm instead of striving to produce the prosperity the resources of Nova Scotia and New Brunswick warrant," stated the Montreal Gazette last week in a leading editorial on the problems of the Maritime provinces, and in making this statement the Montreal journal stirred up the resentment of the people on the Atlantic coast. Says the Halifax Herald: "It is very easy for the big brother to say to the weaker one—be good and satisfied. But that is not much service to one who needs; nor does it make for family harmony." The Herald has gotten opinions from many of the leading Maritime business men and political leaders on the question of the much-discussed Maritime rights, what they are, and why the Maritime provinces demand them.

The Montreal article, in brief, declared that while the Maritime provinces continue to proclaim their grievances, they do not define what these grievances are; that Maritime rights are indefensible if they demand that the rest of Canada be mulcted to subsidize Maritime industries in order that these industries be put in a position where they can compete with the people who are subsidizing them; that the Confederation pact said nothing about rates on the Intercolonial Railway; that its terms were fulfilled with the construction of the road, and that notwithstanding the protestations of the Maritime provinces, both Nova Scotia and New Brunswick have increased in population within the last fifty years at a greater rate than any of the northern New England states.

"Old Stuff" Says the East

The Maritimes, charged the Gazette, were attempting to lift themselves by their own boot straps, and that "there was no lack of sympathy in the other provinces for the claims of the Maritimes, but...."

This is sentiment of long standing in sections of Upper Canada, is one Maritime opinion, that of the Halifax Herald, which admits at the outset that Maritime people might be a little more enterprising, and might do things to help themselves, which, unfortunately, they neglect. "We agree," says its editor, "that they have been more zealous in perpetuating political creeds than in co-operating in the development of the provinces." But this is not the whole case. While Maritime people are not secessionists, they feel injured. One of the causes is the haughty and unsympathetic attitude of the two larger provinces.

Unsympathetic attitude to such problems as are outlined briefly thus:

"The fundamental conditions of Confederation have been altered—certainly not to the advantage of the Maritime Provinces. Quebec has had large territory added to it. Western provinces have been created into territorial empires—speaking relatively—having regard to Maritime limitations. Enormous sums of public money have been expended to build, improve and extend canals and railways to develop the provinces of Upper Canada. Immigration activity has wholly neglected the Maritime Provinces. Agreements which were made to direct Canadian trade through Maritime ports have been callously disregarded. United States ports have been made the entre-pots of Canadian Commerce to the disadvantage of Maritime ports. Prohibitive freight rates have been maintained on the Intercolonial Railway, while very large reductions were made on western national lines to favor the three prairie provinces; the reductions amounting to about twenty million dollars—which loss necessarily the other parts of the National Railways have to make up, the Maritime Provinces contributing to this toll. And the Maritime Provinces have been treated as a complaining unit without reason for their discontent."

Confederation Proves Disastrous

Hon. F. B. McCurdy prefaces a statement with the remark: "The prevailing conviction in Nova Scotia is that Confederation has proven disastrous to the commercial development of the province." Nova Scotia's real grievance, according to Mr. McCurdy, is that the fiscal policy of Canada is shaped without due consideration of the necessity of the province. He illustrates his argument with one example:

"Anyone who travels throughout this province finds that the bulk of hotel arrivals are of commercial representatives from the central parts of the Dominion, who come amongst us not to exchange goods of their manufacture for goods of provincial origin, but to sell their goods for cash, which can only be raised by the export of fish, fruit, etc., not to other provinces of Canada, but to the competitive markets of the world. We buy automobiles and their parts under a 53.60 per cent. imposition; we pay cash for them by selling our products in a market of world competition. Only last week I noticed in your columns the report of a sale of half a million brick to be shipped by a Nova Scotia brickyard to New York. Enquiry elicits the information that the shippers, after paying for ocean tonnage, can net a profit at the most of 25 cents per thousand bricks. Bricks are on the United States free list except from countries which impose a duty against the States. So there exists a duty of $2 per thousand against Canada, and this province is prevented by the duties, levied presumably for the benefit of Ontario and Quebec brickyards, from securing a living profit on one of its products."

A similar view is that of James A. Fraser, of New Glasgow, who says the poison in the milk of the cocoanut is the tariff which compels Nova Scotians, New Brunswickers, and P. E. Islanders, to pay heavy taxes to the government, and several times as much to the beneficiaries of the tariff. "Abolish the damned tariff," is his suggestion.

Hon. E. K. Spinney refers at some length to the freight rates problem of the Maritimes. For example, he quotes the fishing industry, which is one of the most important on the Atlantic coast. We have been deprived of profitable access of the shipments to the American market for this product by the hashing of the Fordney-McCumber tariff legislation. Our opportunity of reaching the only available Upper Canadian market is rendered impossible by the prohibitive freight rates charged, leaving that market open to American dealers who enjoy more favorable transportation rates.

Mr. Spinney questions the soundness of the argument that freight rates on the Intercolonial should be high enough to meet deficits, and he thinks that the deficit on that system compares favorably with the deficits on other sections of the Canadian railway operations.

Maritimes Ask Co-operation

The thing that the Maritimes want most, if we are to believe the St. John Telegram, is the co-operation of the rest of Canada, and it winds up an editorial as follows:

"No, the great trouble is that the Maritimes are not getting co-operation from the rest of Canada. Can there be any dispute of this when every year a railway operated by the Canadian Government routes more and more Canadian goods over a foreign line, to a foreign port; when it spends large sums of money to develop that port at the expense of its own Atlantic ports; when nationalization of the Canadian harbors along the Atlantic coast, promised by both Laurier and Borden, is still unaccomplished; and when it is threatened that our representation in the Federal Parliament should be lowered, although Canada must recognize that since Confederation, Quebec has been increased in area by the inclusion of Ungava, and Ontario by a section of the Northwest, thus giving them added territory and resources to absorb population which is not possible for the Maritime Provinces?"

Some Questions Asked

A summary of the Maritime grievances, by Hon. J. B. M. Baxter, M. P., for St. John is somewhat similar in outline to others quoted. He asks:

Why should OUR rates be higher in order that the territory affected by the Crow's Nest Pass agreement should have lower rates?

Why should there be FREE canals and DEAR railways?

Why should all the colonization energies of the Dominion have been devoted to the WEST alone, and the Maritimes ignored?

Why should the Canadian National Railways not be national to the extent of using national, instead of FOREIGN ports?

Why should the compact for the national routing of freight by the Transcontinental be IGNORED, thus causing loss to the Maritime Provinces?

Capt. J. E. McMasters president of the Maritime Board of Trade, tells the Herald that the Intercolonial was built over its unprofitable circuitous route for military purposes, and the inference of his statement is that twenty-eight millions is not a large deficit for a military road.

Harold Putman, M.P., of Colchester, Dr. Murray McLaren, M. P., of St. John, and Hance J. Logan, M. P., of Cumberland, also discuss the freight rates question in similar vein.

Writing from Nova Scotia, a member of the staff of THE FINANCIAL POST sums up the attitude of many Maritimers to the indifference it alleges on the part of the old larger provinces to the Maritime "rights." He says: "I cannot help but feel that the problem is one which the other Canadian provinces either look at with indifference or an amused intolerance. It is like the Maritime pup snapping at the Upper Canadian mastiff after being disappointed that the agreement to eat out of the same bowl has found the mastiff's head filling the top of the bowl."

The same correspondent does not feel that the rest of Canada will support the cause of the Maritimes until forced to do so. At the same time he admits that while living and working in Upper Canada he found it much easier to take a detached viewpoint of the problem.

OPTIMISM IN WAKE OF SUCCESSFUL BOND ISSUE

(Continued from Page 1)

5 or 20-year bonds is offered. The five-year bonds sell at 99 to yield 5.23 per cent. and the 20-year bonds at 98.25 yielding 5.14 per cent. It is reported that the 5-year bonds have been nearly all allotted and dealers are finding difficulty in securing further blocks. A steady demand for the longer bonds from private investors is now in evidence. Holders of 1923 Victory bonds may exchange their bonds at par for the new bonds and receive in cash in addition to the new bond, $1.75 per $100 for 20-year bonds and $1 for 5-year bonds. By an exchange the holder of 1923 Victory bonds also gains the half-month's interest between Oct. 15 and Nov. 1. Where an exchange is made, the holder clips and keeps the Nov. 1 coupon on the Victory bond and gives the bond to the dealer or bank. If the bond is registered, a certificate authorizing the transfer of the bond must be signed. The bond house will deliver to the purchaser cash to cover the difference in price and an interim certificate for the bond, which will be ready about the middle of October. Those intending to make an exchange should do so at once as this privilege will be automatically cancelled when the whole amount is subscribed for either in cash or exchanges.

Oil is Too Cheap to Encourage Boring

From Our Own Correspondent

OTTAWA.—Government price statisticians call attention to the fact in connection with the recent fall in gasoline prices that "gas" is one of the few things that is as cheap or cheaper than it was before the war. As long as oil continues to be sold at existing prices, there is little inducement to develop new fields that are distant from centres of population. This means that development generally on such oil lands is confined to primary operations. This puts off for a while the incoming of important wells in Alberta, while it makes quite remote the development of the Mackenzie River fields.

Western Canada Now Harvesting The Country's Greatest Crop

Most of That Crop Grew in One Province

—SASKATCHEWAN

THE DOMINION GOVERNMENT official estimate of this year's crop (issued September 12th) puts the wheat yield of Canada at 479,328,000 bushels, of which the Province of Saskatchewan is credited with 259,017,000 bushels, or considerably more than half the yield of all Canada. Saskatchewan alone is by this estimate credited with 58 per cent. of the total yield of 446,775,000 bushels estimated for the three prairie provinces. Saskatchewan's showing in the production of oats is even more significant—her fields will yield 197,068,000 bushels of oats, while the other two prairie provinces combined will only have 157,408,000 bushels. Altogether Saskatchewan alone has a field grain production in sight of half a billion bushels, the greatest grain crop, per capita of population, of any major political division on earth.

It is 390 miles across the Province of Saskatchewan from east to west — a whole day's journey by the fastest express train—and the cultivated settled area of Saskatchewan stretches for an even greater distance from north to south. This area (more than 100,000,000 acres) is just one huge productive farm, from east to west, from north to south.

Saskatchewan is so large that it has developed two permanent industrial trade centres, Regina in the South, Saskatoon in the North.

Western Canada has become too large to be treated as a single commercial unit by any selling organization. It is too large to be dominated by any single trading centre.

ADVERTISING is a vital and integral part of any sustained plan of sales and distribution in Western Canada, and in advertising, just as in the distribution of merchandise, coverage of the Western field cannot be considered as a single unit.

In placing your merchandising messages before the people of Western Canada particular attention should be paid to Saskatchewan—the largest natural division in size—the largest in its production—the division which is the most prosperous—and the division which is to receive the most money from this year's record crop.

The people of Saskatchewan are most thoroughly and effectually influenced by advertising in

The Great Saskatchewan Dailies

In the South
REGINA
LEADER-POST

In the North
SASKATOON
STAR-PHOENIX

To Advertise to Western Canada, Give These Papers
FULL LINAGE ON EVERY SCHEDULE

Eastern Advertising Representatives

MONTREAL:
Charles A. Abraham,
232 St. James Street

TORONTO:
Edgar J. Guy,
Royal Bank Building